CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

National income and expenditure in the third quarter of 1980

Revisions to index numbers of production

The effects of taxes and benefits on household income, 1979

No 327
January 1981
HMSO £8.50 net

A publication of the Government Statistical Service

Release dates of economic statistics to be published in February 1981

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in February 1981. The dates are targets which are normally expected to be met. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about individual series should be made to the source named.

Publication date	Series	Method of release	Source
February 1981			
Mon 2	Building society house prices and mortgage statistics (4th quarter)	PN	D of the Environment
Tues 3	UK official reserves (January)	PN	HM Treasury
	Capital issues and redemptions (during the month of January)	PN	Bank of England
Wed 4	Advance energy statistics (December)	PN	D of Energy
Thurs 5	Provisional figures of vehicle production (January)	PN	D of Industry
Fri 6	Housing starts and completions (December)	PN	D of the Environment
	House renovations (4th quarter)	PN	D of the Environment
Mon 9	Wholesale price index numbers (January – provisional)	PN	D of Industry
	Retail sales (December – final)	PN	D of Trade
	Hire purchase and other instalment credit business (December)	PN	D of Trade
Tues 10	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January)	PN	Bank of England
	London clearing banks' monthly statement (mid-January)	PN	CLCB
	Central government transactions (including borrowing requirement) (January)	PN	HM Treasury
Fri 13	Retail price index (January)	PN	D of Employment
	Tax and price index (January)	PN	CSO
	Usable steel production (January)	PN	BSC/BISPA
	Building societies' monthly figures (January)	PN	BSA
	Index of industrial production (December – provisional)	PN	CSO
Mon 16	Retail sales (January – provisional)	PN	D of Trade
	Balance of payments current account and overseas trade figures (January)	PN	D of Trade/CSO
Tues 17	Cyclical indicators for the UK economy (January)	PN	CSO
Wed 18	Indices of average earnings (December)	PN	D of Employment
	Indices of basic rates of wages (January)	PN	D of Employment
Thurs 19	Public sector borrowing requirement and details of local authority borrowing (4th quarter)	PN	CSO
	Consumers' expenditure (4th quarter – 2nd preliminary estimate)	PN	CSO
	Preliminary estimate of gross domestic product based on output data (4th quarter)	PN	CSO
	Construction – new orders (December)	PN	D of the Environment
	London dollar and sterling certificates of deposit (mid-January)	PN	Bank of England
	UK banks' assets and liabilities and the money stock (mid-January)	PN	Bank of England
	Capital expenditure by the manufacturing, distributive and service industries (4th quarter – provisional)	PN	D of Industry
	Manufacturers' and distributors' stocks (4th quarter – provisional)	PN	D of Industry
Fri 20	Turnover of the motoring trades (4th quarter)	*British business*	D of Industry
	Sales and orders in the engineering industries (November)	*British business*	D of Industry
Sun 22	Department for National Savings' monthly progress report (January)	PN	D for National Savings
Mon 23	New vehicle registrations (January)	PN	D of Transport
		PN	D of Employment
Tues 24	Unemployment (February – provisional)		
	Unfilled vacancies (February – provisional)	PN	D of Employment
Thurs 26	*Energy Trends*	PN	D of Energy
	Unemployment and unfilled vacancies (January – final)	*Gazette*	D of Employment
	Employment in the production industries (December)	*Gazette*	D of Employment
	Overtime and short-time working in manufacturing industries (December)	*Gazette*	D of Employment
	Stoppages of work due to industrial disputes (January)	*Gazette*	D of Employment
Fri 27	Finished steel consumption and stock changes (4th quarter – provisional)	*British business*	D of Industry
	Car and commercial vehicle production (January – final)	*British business*	D of Industry

PN—*Press Notice*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 327
January 1981

London: Her Majesty's Stationery Office

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First published 1981

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or to

Open University Educational Enterprises Ltd., 12 Cofferidge Close, Stony Stratford, Milton Keynes, MK11 1BY (Telephone: Milton Keynes 566744).

ISBN 0 11 726341 9
ISSN 0013-0400

Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 20 January. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

Changes in this issue

Table 12 and Chart 13	**Total consumer credit** is now shown.
Table 20 and Chart 21	Building Societies Association statistics: **Commitments on new dwellings** and **Advances on new dwellings** replace **New commitments for mortgages** and **Net increase in shares and deposits.**
Chart 27	**Index of industrial production:** monthly figures are now shown for *all industries* and *manufacturing*.
Table 60	Revised presentation.
Table 62 and Chart 63	Tables and chart now show **Capital account and net acquisition of financial assets of industrial and commercial companies** and **Net borrowing requirement of industrial and commercial companies.**
Table 64 and Chart 65	The lower table and chart now show **UK banks advances and acceptances to UK residents.**
Table 66 and Chart 67	**British government securities: long-dated (20 years) yield** replaces **2½ per cent consols yield.**

Symbols used:

.. not available or not meaningful

— nil or less than half the final digit shown

§ series for which measures of variability are given on page 70

† indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 23 January 1981

Output

The index of industrial production in November was the same as in the previous two months. Taking those three months together, industrial production was 3–6 per cent less than in the preceding three-month period. Buoyed up by North Sea oil and gas and by coal, mining and quarrying showed a rise of slightly over 1 per cent; food, drink and tobacco rose by 2·4 per cent but all other broad industrial groups, particularly metal manufacture (down by 16 per cent), showed falls.

Balance of payments

The current account in 1980 was in surplus by £2·3 billion following a deficit of £1·7 billion in 1979. The oil account was in surplus by £0·3 billion, an improvement of £1·1 billion on 1979.

In the fourth quarter, the current account was in surplus by £1,460 million with a balance of £300 million on invisibles and of £1,160 million on visible trade.

The surplus on visible trade in the third quarter had been £774 million. The improvement in the fourth quarter, despite a deterioration of over £100 million in the balance for the erratic items, was widely spread among the major commodity groups. The largest was an increase of about £200 million in the surplus on finished manufactures (less erratics). Exports, at £11,732 million by value, were nearly £100 million down on the third quarter. There was a marginal fall in volume, continuing a downward movement. The value of imports at £10,572 million was about £500 million less than in the third quarter. The fall of 4½ per cent in volume suggests that the strong downward trend throughout 1980 may be slackening. The terms of trade index rose slightly; excluding oil there was a rise of 1 per cent.

Consumers' expenditure

The preliminary estimate of consumers' expenditure for the fourth quarter of 1980 is £17·9 billion at 1975 prices, an increase of 1 per cent over the third quarter. Consumption of alcoholic drinks was up and retail sales in general recovered slightly. New car registrations fell back to the level of the second quarter.

The volume of retail sales in December was at much the same level as in October and November. The underlying level of retail trade appears to have changed little since March 1980. The average volume of retail trade in 1980 was nearly 1 per cent higher than in 1979.

Earnings and wage rates

The whole economy index of average earnings in Great Britain in November was 1·0 per cent higher than in October and 18·7 per cent higher than in November 1979.

The index of basic weekly wage rates for manual workers (not seasonally adjusted) at the end of December was 13·3 per cent higher than in December 1979.

Prices (not seasonally adjusted)

The index of retail prices in December was 275·6 (January 1974 = 100), 0·5 per cent up on November and 15·1 per cent up on December 1979. Significant price increases in December included those for rail fares, food and average gas and telephone charges.

The tax and price index for December was 139·4 (January 1978 = 100), an increase of 16·4 per cent on December 1979.

Prices of materials and fuel purchased by manufacturing industry rose by 1¼ per cent between November and December. The most significant price increase was for crude oil whose price was affected by the depreciation of sterling against the US dollar. The overall price index was 9¾ per cent higher than in December 1979.

The wholesale price index for home sales of manufactured products increased by ¼ per cent between November and December to a level 12¾ per cent higher than in December 1979.

Companies

Gross trading profits of industrial and commercial companies fell by 17 per cent between the six-month periods ending in March and September 1980. Net of stock appreciation, profits fell by 5 per cent.

Industrial and commercial companies had an estimated deficit of £2·0 billion in their net acquisition of financial assets in the 6 months ended September 1980, slightly higher than in the previous 6-month period. A sharp fall in undistributed income was matched by very heavy destocking of £1·3 billion mostly in the third quarter. Gross domestic fixed capital formation rose slightly with capital expenditure on plant and machinery remaining buoyant.

Official reserves and the exchange rate (not seasonally adjusted)

The UK official reserves fell by $713 million during December to $27,476 million at the end of the month. This reduction was, however, less than repayments of various public sector loans totalling $751 million. These comprised net repayments of $377 million under the exchange cover scheme, $124 million on long-term North American loans and $250 million of the 1977 H M G Eurodollar loan which has now been completely repaid.

The sterling effective exchange rate index was 78·6 (December 1971 = 100) on 2 January and rose steadily thereafter to reach 80·3 on 22 January.

Financial aggregates

Sterling M_3 increased by £360 million or 0·5 per cent during the banking month of December (3 weeks ended 10 December). M_1 increased by £470 million or 1·6 per cent. Domestic credit expanded by £760 million.

The central government borrowing requirement of £610 million in the banking month was exceeded by purchases of debt by the non-bank private sector at £760 million. Sterling lending to the private sector increased by £820 million after the slight fall in the previous month. Lending in sterling to overseas rose by £230 million but external and foreign currency finance was negative at minus £260 million. Taken together these indicate that external and foreign currency factors were broadly neutral in their influence on sterling M_3.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Economic events

December

18 The European Community Commission announced payments of budget refunds to the United Kingdom. The Community would contribute £177·3 million for the current year's investment programmes in the north-west and Wales. £97·6 million of the Community contributions would be available to the UK before the end of December.

22 The Bank of England created an additional £100 million of 12¼ per cent Exchequer Stock 1992, 12½ per cent Exchequer Stock 1994 and 10½ per cent Exchequer Stock 1997.

January

1 Greece became the tenth member of the European Community.

2 The Bank of England reduced the minimum reserve assets ratio of 12½ per cent of eligible liabilities to 10 per cent and issued a further £1,000 million of 12¼ per cent Exchequer Stock 1999.

5 It was announced that in December the remaining $250 million of the $1½ billion HMG Eurodollar loan originally raised in 1977 had been repaid early.

14 From 2 February the Bank of England will use new weights, derived from the IMF's multilateral exchange rate model, to calculate the official sterling effective exchange rate index. The index will be rebased so that 1975 average exchange rates equal 100.

Selected monthly indicators[1]

	Seasonally adjusted					Unadjusted					Seasonally adjusted	
	1976 = 100	1975 = 100	Thousands		Jan. 1976 = 100	1975 = 100	Jan. 1974 = 100	Jan. 1978 = 100	Dec. 1971 = 100	$ billion	£ million	
	Volume of retail sales (GB)[2, 3] §	Index of Industrial production[4] §	Unemployment[5, 6, 8] §	Vacancies[7, 8] §	Average earnings (whole economy: GB)	Wholesale price of materials and fuel[9]	Retail price index (all items)	Tax and price index[10]	Sterling effective exchange rate	U.K. official reserves[11]	Balance of payments: Current balance	Money stock sterling M3
1979 J	103·8	105·0	1,340·9	236·2	136·7	151·8	207·2	106·1	63·3	16·3	+ 37†	50,500
F	106·0	112·2	1,366·0	229·0	142·5	153·3	208·9	107·2	63·7	16·6	−523	50,780
M	107·1	113·3	1,360·3	232·0	143·8	155·2	210·6	108·2	65·0	21·9	−433	50,390
A	112·2	113·6	1,325·3	243·6	144·6	160·6	214·2	110·5	66·9	21·5	− 57	51,410
M	109·4	115·4	1,306·1	254·6	146·0	162·8	215·9	111·6	66·9	21·5	− 95	52,190
J	116·6	115·9	1,281·8	248·8	149·8	166·6	219·6	113·8	68·3	22·1	− 70	52,650
J	105·2	115·1	1,276·4	252·9	153·8	168·1	229·1	113·8	71·9	23·4	+128	53,100
A	107·6	112·1†	1,262·0	248·6	154·1[12]	169·1	230·9	114·9	71·4	23·2	− 42	53,840
S	106·9	110·9	1,261·9	245·9	153·9[12]	172·5	233·2	116·2	69·8	22·7	− 26	54,180
O	108·2	111·6	1,278·8	238·4	158·7	178·1	235·6	117·6	68·4	22·3	−366	55,160
N	110·2	113·7	1,283·7	234·6	162·1	186·0	237·7	118·8	68·4	22·2	− 23	55,700
D	108·8	112·4	1,297·7	222·3	164·5	187·5	239·4	119·8	69·7	22·5	−200	55,750
1980 J	110·2	111·6	1,336·7	206·9	164·2[13]	193·5	245·3	123·2	71·4	23·4	−158	56,240
F	111·0	109·7	1,383·1	191·4	169·0[13]	197·6	248·8	125·3	72·8	23·7	− 58	56,580
M	109·7	108·7	1,413·5	180·8	172·9[13]	200·4	252·2	127·2	72·3	27·0	+ 25	56,860
A	109·6	106·7	1,458·1	168·5	175·3	202·3	260·8	130·8	72·9	28·0	−230	57,050
M	108·4	106·5	1,483·8	163·0	177·0	200·4	263·2	132·2	73·6	28·3	+ 85	58,280
J	109·5	106·6	1,535·1	146·7	182·3	201·1	265·7	133·6	73·7	28·2	+ 81	58,720
J	108·5	104·6	1,605·7	126·0	182·8	201·7	267·9	134·9	74·6	28·3	+403	61,670
A	109·6	102·0	1,695·4	120·4	187·6	201·8	268·5	135·3	75·5	28·3	+149	63,500
S	108·5	100·7	1,784·4	112·8	194·1	202·1	270·2	136·3	76·1	27·6	+524	63,850
O	109·7	100·6	1,892·6	100·4	190·6	201·4	271·9	137·3	77·3	28·0	+559	65,080
N	109·2	100·6	2,028·2	97·2	192·5[14]	203·3[14]	274·1	138·5	78·3	28·2	+555	66,420
D	109·5[14]		2,133·3	102·0		205·7[14]	275·6	139·4	77·7	27·5	+346	66,760
	Percentage change, latest three months on previous three months											
1980 J	+ 2·0	+ 0·9	+ 3·0	− 9·4	+5·2	+ 9·1	+ 3·3	..	—	..	..	+ 2·8
F	+ 1·5	− 0·7†	+ 5·0	−13·7	+4·8	+ 7·8	+ 3·8	..	+ 3·5	..	..	+ 2·1
M	+ 1·1	− 2·3	+ 7·1	−16·7	+4·3	+ 7·2	+ 4·7	..	+ 4·8	..	..	+ 1·8
A	+ 0·4	− 3·7	+ 8·6	−18·5	+5·4	+ 5·9	+ 5·4	..	+ 4·1	..	..	+ 1·7
M	− 0·6	− 3·5	+ 8·4	−17·5	+5·5	+ 4·2	+ 5·8	..	+ 2·3	..	..	+ 2·1
J	− 1·0	− 3·1	+ 8·3	−17·4	+5·6	+ 2·1	+ 5·8	..	+ 1·7	..	..	+ 2·6
J	− 1·1	− 2·3	+ 8·7	−19·4	+4·8	+ 0·5	+ 4·6	..	+ 1·8	..	..	+ 4·8
A	—	− 2·7	+11·0	−23·3	+5·2	+ 0·2	+ 3·4	..	+ 2·3	..	..	+ 6·8
S	− 0·3	− 3·9	+13·6	−24·9	+5·6	+ 0·3	+ 2·2	..	+ 2·7	..	..	+ 8·6
O	− 0·3	− 4·5	+16·2	−23·4	+5·6	+ 0·3	+ 1·7	..	+ 3·1	..	..	+ 7·7
N	− 0·1	− 3·6	+18·0	−21·0	+4·4[14]	+ 0·4[14]	+ 1·8	..	+ 3·5	..	..	+ 6·2
D	+ 0·6[14]		+19·0	−16·6		+ 0·8[14]	+ 1·9	..	+ 3·1	..	..	+ 4·9
	Percentage change, latest three months on corresponding period of previous year											
1980 J	+ 3·8	+ 3·6	− 2·0	− 6·4	+19·7	+26·7	+17·7	+15·4	+10·7	..	..	+12·4
F	+ 3·7	+ 1·6	− 0·3	−11·8	+19·5	+27·6	+18·2	+16·0	+12·3	..	..	+11·7
M	+ 4·3	− 0·1	+ 1·6	−16·9	+19·7	+28·5	+19·1	+16·9	+12·6	..	..	+11·9
A	+ 1·7	− 4·1	+ 5·0	−23·3	+20·1	+28·0	+20·2	+17·6	+11·5	..	..	+11·7
M	− 0·1	− 6·0	+ 9·1	−29·8	+20·9	+26·0	+21·1	+16·2	+10·1	..	..	+11·8
J	− 3·4	− 7·3	+14·4	−36·8	+21·4	+23·2	+21·5	+18·1	+ 9·0	..	..	+11·4
J	− 1·8	− 8·3†	+19·7	−43·1	+20·6	+21·2	+19·9	+18·1	+ 7·2	..	..	+13·1
A	− 1·0	− 8·7	+26·6	−48·3	+20·8	+20·0	+18·1	+17·9	+ 5·8	..	..	+15·2
S	+ 2·1	− 9·1	+33·8	−51·9	+22·2	+18·8	+16·4	+17·9	+ 6·1	..	..	+17·3
O	+ 1·6	− 9·4	+41·3	−54·5	+22·6	+16·5	+15·9	+17·3	+ 9·2	..	..	+17·9
N	+ 0·7	−10·2	+49·2	−56·8	+21·6[14]	+13·8[14]	+15·5	+16·9	+12·1	..	..	+18·4
D	+ 0·4[14]		+56·8	−56·9		+10·7[14]	+15·3	+16·6	+13·0	..	..	+19·0

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences, January 1980 is exceptionally a five-week period. The series from 1976 onwards have been revised in the light of the results of the 1977 to 1979 Retailing Inquiries. See *British business*, 5 December 1980.
[4] All industries covered. [5] Unemployed excluding school-leavers.
[6] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette*, November 1979. [7] Vacancies notified to employment offices. [8] The seasonally adjusted series have been revised as described in the March 1980 *Employment Gazette*. [9] Purchased by manufacturing industry.
[10] Described in an article in *Economic Trends* No. 310, August 1979. [11] See footnote [2] on page 50. [12] These figures are affected by the industrial dispute in the engineering industries. [13] See footnote [3] on page 40. [14] Provisional.

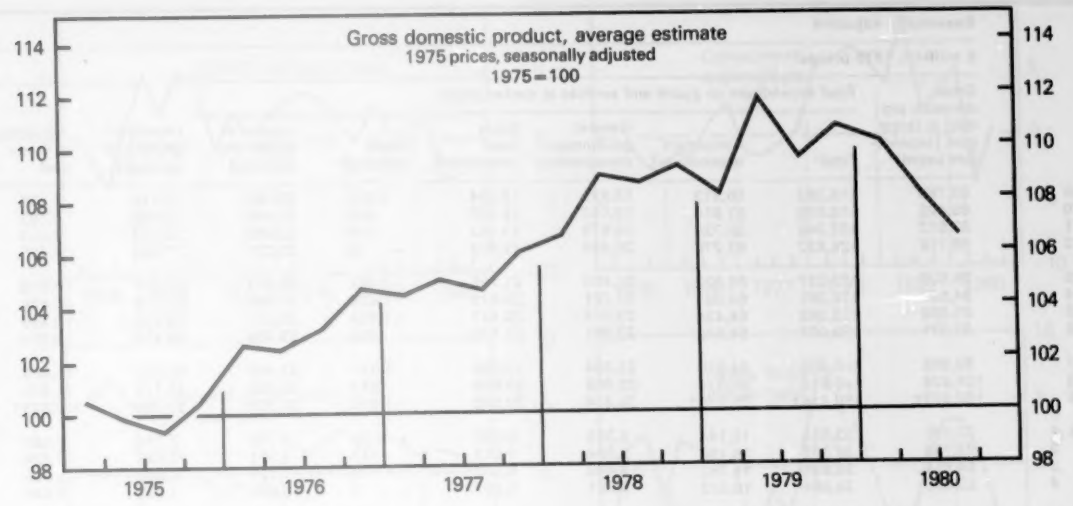
Tables and charts

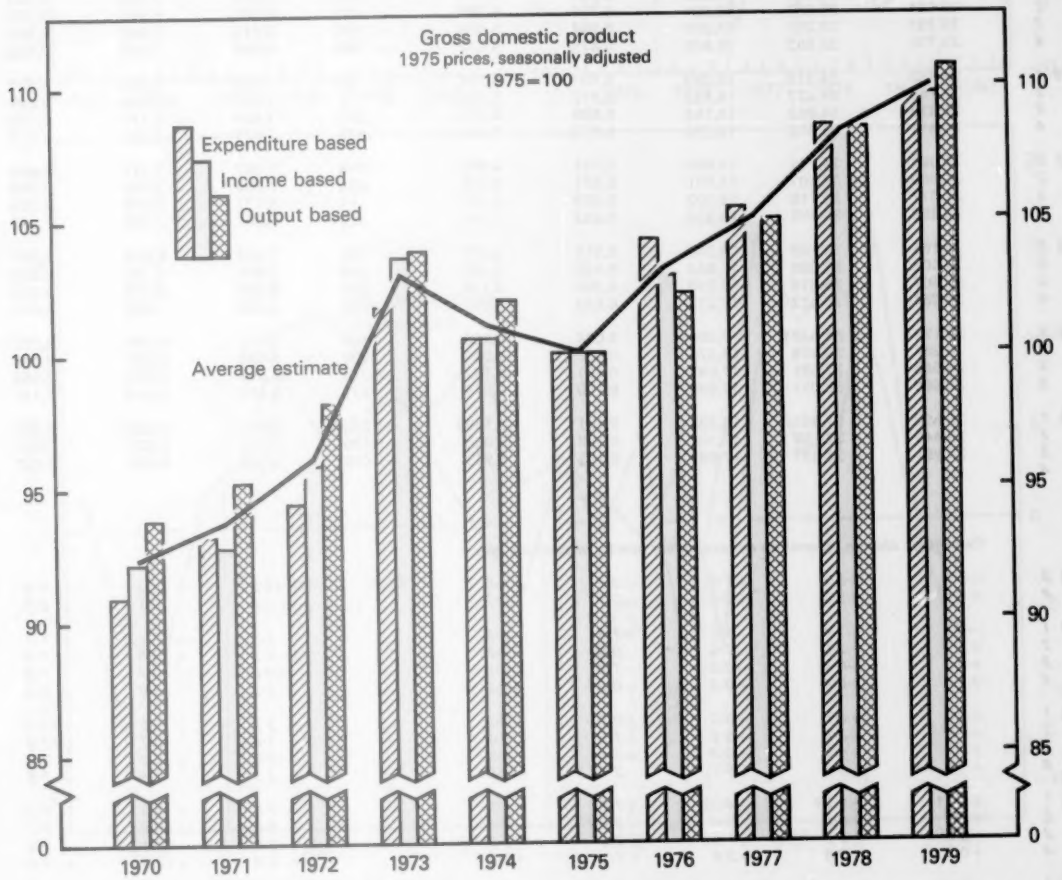
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied index of total home costs	National disposable income at 1975 market prices
	At current prices				At 1975 factor cost						
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data§	income data[2]§	output data§	Average estimate§	expenditure data	Average estimate
1969	39,633	39,983	42·2	42·7	83,760	89·2	90·2	92·2	90·5	47·3	93·3
1970	43,532	44,051	46·3	47·0	85,402	90·9	92·2	93·8	92·3	51·0	96·0
1971	49,442	49,027	52·6	52·3	87,572	93·2	92·7	95·2	93·7	56·5	97·9
1972	55,276	55,898	58·8	59·7	88,719	94·4	95·8	98·1	96·1	62·3	101·0
1973	64,258	65,302	68·4	69·7	95,506	101·7	103·6	103·8	103·0	67·3	106·0†
1974	74,414	74,206	79·2	79·2	94,527	100·6	100·6	102·0	101·1	78·7	100·3
1975	93,954	93,692	100·0	100·0	93,954	100·0	100·0	100·0	100·0	100·0	100·0
1976	111,245	109,425†	118·4	116·8†	97,971	104·3	102·9†	102·3	103·2	113·5	102·8
1977	126,111	125,037	134·2	133·5	98,993	105·4	104·8	104·9†	105·0†	127·4	103·8
1978	144,442	143,550	153·7	153·2	101,929	108·5	108·1	108·4	108·3	141·7	109·0
1979	164,385†	164,145	175·0†	175·2	102,973†	109·6†	109·7	110·7	110·0	159·6	111·9
1975 *1*	21,733	22,095	92·5	94·3	23,283	99·1	101·0	101·2	100·5†	93·3	100·1
2	23,174	22,672	98·7	96·8	23,644	100·7	98·7	100·0	99·8	98·0	
3	23,893	23,945	101·7	102·2	23,297	99·2	99·7	99·1	99·3	102·6	99·9
4	25,154	24,980	107·1	106·7	23,730	101·0	100·6	99·7	100·4	106·0	
1976 *1*	26,558	25,954†	113·1	110·8†	24,486	104·3	102·2†	101·1	102·5	108·5	102·3
2	27,021	26,790	115·0	114·4	24,156	102·8	102·2	101·9	102·3	111·8	
3	28,220	27,757	120·1	118·5	24,518	104·4	103·0	102·1	103·1	115·1	103·3
4	29,446	28,924	125·4	123·5	24,811	105·6	104·0	104·1†	104·6	118·7	
1977 *1*	29,925	30,061	127·4	128·3	24,397	103·9	104·6	104·9	104·4	122·7	102·9
2	30,894	30,983	131·5	132·3	24,660	105·0	105·5	104·3	105·0	125·3	
3	32,065	31,651	136·5	135·1	24,677	105·1	104·0	104·9	104·6	129·9	104·7
4	33,227	32,342	141·5	138·1	25,259	107·5	104·9	105·5	106·0	131·5	
1978 *1*	34,463	33,995	146·7	145·1	25,156	107·1	105·9	106·6	106·6	137·0	108·1
2	35,733	35,691	152·1	152·4	25,602	109·0	109·2	108·5	108·9	139·6	
3	36,817	36,534	156·7	156·0	25,507	108·6	108·1	109·2	108·6	144·3	110·0
4	37,429	37,330	159·4	159·4	25,664	109·3	109·3	109·1	109·2	145·9	
1979 *1*	37,677†	38,065	160·4†	162·5	25,175†	107·2†	108·6	108·7	108·1	149·7	111·7
2	41,019	40,582	174·7	173·3	26,287	111·9	111·0	112·5	111·8	156·0†	
3	42,119	41,745	179·3	178·2	25,655	109·2	108·6	110·5	109·4	164·2	112·1
4	43,570	43,753	185·5	186·8	25,856	110·1	110·8	111·0	110·7	168·5	
1980 *1*	44,641	45,384	190·1	193·8	25,596	109·0	111·1	110·1	110·1	174·4	111·5
2	47,182	46,995	200·9	200·6	25,445	108·3	108·2	108·3	108·3	185·4	
3	48,457	48,605	206·3	207·5	24,991	106·4	107·0	106·2	106·5	193·9	
4											
	Percentage change, period on corresponding period of previous year.										
1977 *3*	*+13·6*	*+14·0†*	*+13·6*	*+14·0†*	*+0·7*	*+0·7*	*+1·0*	*+2·7†*	*+1·5†*	*+12·9*	*+1·4*
4	*+12·8*	*+11·8*	*+12·8*	*+11·8*	*+1·8*	*+1·8*	*+0·9†*	*+1·3*	*+1·3*	*+10·8*	
1978 *1*	*+15·2*	*+13·1*	*+15·2*	*+13·1*	*+3·1*	*+3·1*	*+1·2*	*+1·6*	*+2·1*	*+11·6*	*+5·1*
2	*+15·7*	*+15·2*	*+15·7*	*+15·2*	*+3·8*	*+3·8*	*+3·5*	*+4·0*	*+3·7*	*+11·4*	
3	*+14·8*	*+15·4*	*+14·8*	*+15·5*	*+3·4*	*+3·4*	*+3·9*	*+4·1*	*+3·8*	*+11·1*	*+5·1*
4	*+12·6*	*+15·4*	*+12·6*	*+15·4*	*+1·6*	*+1·6*	*+4·2*	*+3·4*	*+3·0*	*+10·9*	
1979 *1*	*+ 9·3†*	*+12·0*	*+ 9·3†*	*+12·0*	*+0·1†*	*+0·1†*	*+2·5*	*+2·0*	*+1·4*	*+ 9·3*	*+3·3*
2	*+14·8*	*+13·7*	*+14·9*	*+13·7*	*+2·7*	*+2·7*	*+1·6*	*+3·7*	*+2·7*	*+11·7†*	
3	*+14·4*	*+14·3*	*+14·4*	*+14·2*	*+0·6*	*+0·6*	*+0·5*	*+1·2*	*+0·7*	*+13·8*	*+1·9*
4	*+16·4*	*+17·2*	*+16·4*	*+17·2*	*+0·7*	*+0·7*	*+1·4*	*+1·7*	*+1·4*	*+15·5*	
1980 *1*	*+18·5*	*+19·2*	*+18·5*	*+19·3*	*+1·7*	*+1·7*	*+2·3*	*+1·3*	*+1·8*	*+16·5*	*−0·2*
2	*+15·0*	*+15·8*	*+15·0*	*+15·8*	*−3·2*	*−3·2*	*−2·5*	*−3·7*	*−3·1*	*+18·8*	
3	*+15·0*	*+16·4*	*+15·1*	*+16·4*	*−2·6*	*−2·6*	*−1·5*	*−3·9*	*−2·6*	*+18·1*	
4											

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the implied index of total home costs.


Gross domestic product, average estimate
1975 prices, seasonally adjusted
1975=100
114
112
110
108
106
104
102
100
98
1975
1976
1977
1978
1979
1980


Gross domestic product
1975 prices, seasonally adjusted
1975=100
Expenditure based
Income based
Output based
Average estimate
110
105
100
95
90
85
0
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

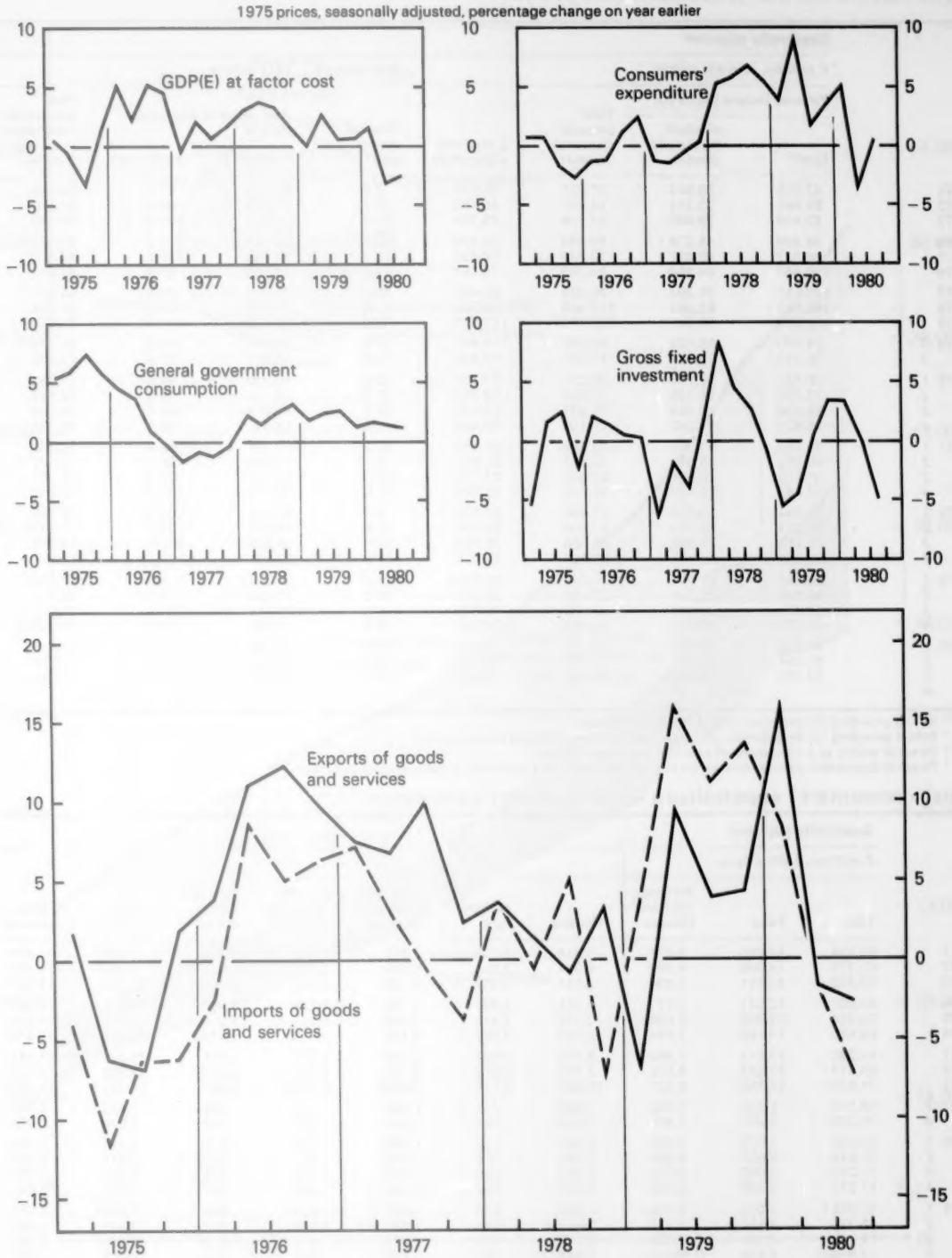
	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	Adjustment to factor cost
1969	83,760	115,383	56,313	18,829	18,954	1,019	20,387	22,728	8,826
1970	85,402	118,585	57,814	19,103	19,460	802	21,492	23,938	9,167
1971	87,572	122,346	59,724	19,673	19,743	278	22,966	25,187	9,514
1972	88,719	126,827	63,270	20,484	19,823	− 19	23,221	27,694	10,243
1973	95,506	137,337	66,332	21,453	21,195	2,483	25,874	30,913	10,918
1974	94,527	136,381	64,881	21,761	20,616	1,428	27,695	31,216	10,638
1975	93,954	133,392	64,424	23,074	20,417	−1,534	27,011	28,979	10,459
1976	97,971	139,007	64,642	23,581	20,636	654	29,494	30,213	10,823
1977	98,993	140,450	64,240	23,334	20,089	1,327	31,460	30,591	10,866
1978	101,929	145,618	68,074	23,865	20,802	843	32,034	31,770	11,919
1979	102,973†	150,616†	71,270†	24,334	20,506	1,610	32,896	35,250	12,393†
1974 *1*	23,180	33,574	16,144	5,368	5 390	− 70	6,742	7,714	2,680
2	23,780	34,307	16,163	5,384	5,012	727	7,021	7,923	2,604
3	24,114	34,636	16,262	5,448	5,047	778	7,101	7,862	2,660
4	23,453	33,864	16,312	5,561	5,167	− 7	6,831	7,717	2,694
1975 *1*	23,283	33,322	16,285	5,650	5,112	− 584	6,859	7,396	2,643
2	23,644	33,267	16,301	5,704	5,086	− 407	6,583	6,990	2,633
3	23,297	33,251	15,970	5,844	5,178	− 354	6,613	7,360	2,594
4	23,730	33,552	15,868	5,876	5,041	− 189	6,956	7,233	2,589
1976 *1*	24,486	34,312	16,083	5,897	5,226	− 20	7,126	7,209	2,617
2	24,156	34,427	16,122	5,912	5,158	− 71	7,306	7,586	2,685
3	24,518	34,953	16,153	5,899	5,203	270	7,428	7,727	2,708
4	24,811	35,315	16,284	5,873	5,049	475	7,634	7,691	2,813
1977 *1*	24,397	34,777	15,898	5,791	4,883	518	7,687	7,718	2,662
2	24,660	35,107	15,901	5,861	5,065	485	7,795	7,799	2,648
3	24,677	35,110	16,102	5,829	4,997	11	8,171	7,674	2,759
4	25,259	35,456	16,339	5,853	5,144	313	7,807	7,400	2,797
1978 *1*	25,156	36,105	16,748	5,916	5,287	185	7,969	8,008	2,941
2	25,602	36,286	16,844	5,949	5,282	308	7,903	7,748	2,936
3	25,507	36,615	17,210	5,968	5,136	205	8,096	8,076	3,032
4	25,664	36,612	17,272	6,032	5,097	145	8,066	7,938	3,010
1979 *1*	25,175†	36,549†	17,456†	6,024	4,998	659	7,412	8,276	3,098†
2	26,287	38,475	18,375	6,089	5,052	296	8,663	8,990	3,198
3	25,655	37,581	17,543	6,121	5,182	324	8,411	8,970	2,956
4	25,856	38,011	17,896	6,100	5,274	331	8,410	9,014	3,141
1980 *1*	25,596	37,961	18,338	6,131†	5,169†	− 288†	8,611†	8,982†	3,383
2	25,445	37,135	17,704	6,182	5,058	− 126	8,317	8,829	2,861
3	24,991	36,337	17,689	6,193	4,923	− 656	8,188	8,325	3,021
4									

Percentage change, quarter on corresponding quarter of previous year.

1976 *3*	*+5·2*	*+5·1*	*+1·2*	*+0·9*	*+0·5*	..	*+12·3*	*+ 5·0*	*+ 4·4*
4	*+4·6*	*+5·3*	*+2·6*	*−0·1*	*+0·2*	..	*+ 9·9*	*+ 6·3*	*+ 8·7*
1977 *1*	*−0·4*	*+1·4*	*−1·2*	*−1·8*	*−6·6*	..	*+ 7·3*	*+ 7·1*	*+ 1·7*
2	*+2·1*	*+2·0*	*−1·4*	*−0·9*	*−1·8*	..	*+ 6·7*	*+ 2·8*	*− 1·4*
3	*+0·7*	*+0·4*	*−0·3*	*−1·2*	*−4·0*	..	*+10·0*	*− 0·7*	*+ 1·9*
4	*+1·8*	*+0·4*	*+0·3*	*−0·3*	*+1·9*	..	*+ 2·3*	*− 3·8*	*− 0·6*
1978 *1*	*+3·1*	*+3·8*	*+5·3*	*+2·2*	*+8·3*	..	*+ 3·7*	*+ 3·8*	*+10·5*
2	*+3·8*	*+3·4*	*+5·9*	*+1·5*	*+4·3*	..	*+ 1·4*	*− 0·7*	*+10·9*
3	*+3·4*	*+4·3*	*+6·9*	*+2·4*	*+2·8*	..	*− 0·9*	*+ 5·2*	*+ 9·9*
4	*+1·6*	*+3·3*	*+5·7*	*+3·1*	*−0·9*	..	*+ 3·3*	*− 7·3*	*+ 7·6*
1979 *1*	*+0·1†*	*+1·2†*	*+4·2†*	*+1·8*	*−5·5*	..	*− 7·0*	*+ 3·3*	*+ 5·3†*
2	*+2·7*	*+6·0*	*+9·1*	*+2·4*	*−4·4*	..	*+ 9·6*	*+16·0*	*+ 8·9*
3	*+0·6*	*+2·6*	*+1·9*	*+2·6*	*+0·9*	..	*+ 3·9*	*+11·1*	*− 2·5*
4	*+0·7*	*+3·8*	*+3·6*	*+1·1*	*+3·5*	..	*+ 4·3*	*+13·6*	*+ 4·4*
1980 *1*	*+1·7*	*+3·9*	*+5·1*	*+1·8*	*+3·4*	..	*+16·2*	*+ 8·5†*	*+ 9·2*
2	*−3·2*	*−3·5*	*−3·7*	*+1·5†*	*+0·1†*	..	*− 4·0†*	*− 1·8*	*−10·5*
3	*−2·6*	*−3·3*	*+0·8*	*+1·2*	*−5·0*	..	*− 2·6*	*− 7·2*	*+ 2·2*
4									

[1] For years up to and including 1972, totals differ from the sum of the components because of the method used to rebase on 1975 prices.

1975 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1971	47,835	29,644	38,531	35,599	7·6	64,643	87·6	59,724
1972	54,501	33,312	44,507	40,183	9·7	70,078	95·0	63,270
1973	63,539	38,430	51,798	45,759	11·7	75,086	101·8	66,332
1974	76,209	46,278	60,694	52,489	13·5	75,023	101·7	64,881
1975	95,827	58,932	73,768	64,424	12·7	73,768	100·0	64,424
1976	110,667	66,166	84,768	74,751	11·8	73,304	99·4	64,642
1977	123,197	73,264	95,483	85,474	10·5	71,763	97·3	64,240
1978	142,093	83,882	112,303	98,395	12·4	77,696	105·3	68,074
1979	166,484†	97,661	133,171†	115,543†	13·2†	82,143†	111·4†	71,270†
1975 *3*	24,700	15,109	18,838	16,461	12·6	18,266	99·0	15,970
4	25,276	15,334	19,292	16,972	12·0	18,027	97·8	15,868
1976 *1*	26,434	15,790	20,253	17,737	12·4	18,359	99·5	16,083
2	27,126	16,320	20,584	18,253	11·3	18,176	98·6	16,122
3	28,184	16,854	21,831	18,878	13·6	18,674	101·3	16,153
4	28,923	17,202	22,100	19,883	10·0	18,095	98·1	16,284
1977 *1*	29,759	17,706	22,706	20,295	10·6	17,788	96·4	15,898
2	30,215	18,032	23,152	21,003	9·3	17,530	95·0	15,901
3	31,140	18,504	24,305	21,777	10·4	17,973	97·5	16,102
4	32,083	19,022	25,320	22,399	11·5	18,472	100·2	16,339
1978 *1*	33,334	19,755	25,899	23,536	9·1	18,437	100·0	16,748
2	35,223	20,723	27,609	24,130	12·6	19,280	104·5	16,844
3	36,153	21,386	28,986	25,093	13·5	19,888	107·8	17,210
4	37,383	22,018	29,809	25,636	14·0	20,091	109·0	17,272
1979 *1*	38,564†	22,816	30,690†	26,644†	13·2†	20,122†	109·1	17,456†
2	40,498	23,734	32,059	28,862	10·0	20,426	110·8†	18,375
3	42,491	24,957	34,020	29,275	13·9	20,402	110·6	17,543
4	44,931	26,154	36,402	30,762	15·5	21,193	114·9	17,896
1980 *1*	46,415	27,108†	37,156	32,683	12·0	20,848	113·0	18,338
2	48,564	28,402	38,756	32,933	15·0	20,834	113·0	17,704
3	50,673	29,672	40,431	33,680	16·7	21,235	115·1	17,689
4								

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

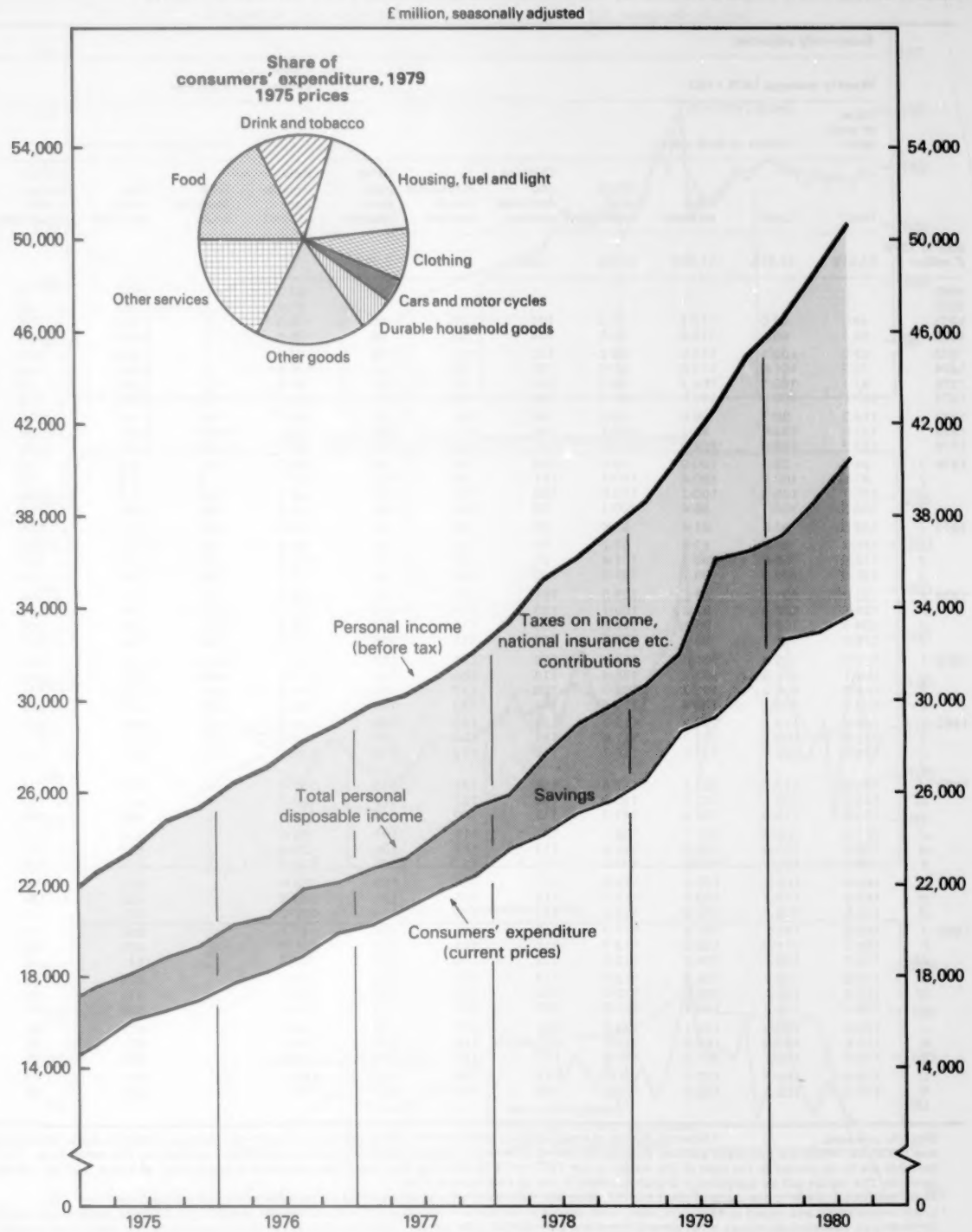
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1971	59,724	12,090	6,519	8,714	2,752	4,715	2,429	2,345	9,118	11,306
1972	63,270	11,988	6,960	8,917	2,854	4,964	2,986	2,811	9,956	11,964
1973	66,332	12,181	7,694	9,181	2,930	5,183	3,396	2,668	10,760	12,339
1974	64,881	12,071	7,777	9,081	2,984	5,109	3,269	1,820	10,840	11,930
1975	64,424	12,036	7,604	9,221	2,914	5,166	3,232	1,810	10,635	11,806
1976	64,642	12,168	7,664	9,240	2,887	5,193	3,414	2,010	10,690	11,376
1977	64,240	12,011	7,460	9,402	2,962	5,234	3,203	1,856	10,771	11,341
1978	68,074	12,282	8,070	9,709	3,014	5,726	3,524	2,372	11,338	12,039
1979	71,270†	12,546	8,327	10,062	3,179	6,086†	4,004†	2,551	11,717†	12,798†
1977 *3*	16,102	2,933	1,893	2,363	747	1,325	791	488	2,713	2,849
4	16,339	3,063	1,901	2,388	726	1,354	825	459	2,744	2,879
1978 *1*	16,748	3,073	1,997	2,401	735	1,366†	848	570	2,772	2,986†
2	16,844	3,037	1,999	2,386	758	1,416	881	567	2,814	2,986
3	17,210	3,092	2,032	2,447	769	1,470	893	628	2,879	3,000
4	17,272	3,080	2,042	2,475	752	1,474	902	607	2,873	3,067
1979 *1*	17,456†	3,075	2,078	2,493	840	1,451	933†	596	2,893†	3,097
2	18,375	3,157	2,167	2,507	793	1,580	1,165	811	2,989	3,206
3	17,543	3,159	2,009	2,519	778	1,479	916	529	2,901	3,253
4	17,896	3,155	2,073	2,543	768	1,576	990	615	2,934	3,242
1980 *1*	18,338	3,200†	2,298†	2,546	770	1,610	1,025	638	3,007	3,244
2	17,704	3,218	1,893	2,510	720	1,558	990	509	2,938	3,368
3	17,689	3,150	1,869	2,499†	758†	1,519	972	550†	2,969	3,403
4										

[1] For the years before 1973 the total differs from the sum of components because of the method of rebasing to 1975 prices.


£ million, seasonally adjusted
Share of consumers' expenditure, 1979
1975 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
54,000
50,000
46,000
42,000
38,000
34,000
30,000
26,000
22,000
18,000
14,000
0
Personal income (before tax)
Taxes on income, national insurance etc. contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)
1975
1976
1977
1978
1979
1980

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted									
	Weekly average 1976 = 100							Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]							Hire purchase and other credit[4]	
	Total[3]	Total[3]	Food retailers[3]	Mixed retail businesses[3]	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars[5]	Total consumer credit	New credit extended	Implied change in debt outstanding
Sale in 1976 £ million	33,616	33,616	11,369	9,045	3,384	4,745	5,093				
1969	..	..	..	..	..	..	..	82·3	..	1,584	− 11
1970	..	..	..	..	..	..	..	91·4	..	1,767	+ 92
1971	49·7	94·0	116·4	73·3	101	79	90	108·5	..	2,036	+ 251
1972	55·7	98·7	115·6	81·5	105	89	96	138·6	..	2,466	+ 438
1973	63·2	103·1	112·0	90·2	106	101	105	137·1	..	2,846	+ 444
1974	73·2	101·9	110·0	91·6	103	99	104	102·8	..	2,508	− 164
1975	87·1	100·1	104·2	95·7	101	97	101	97·2	..	2,981	− 13
1976	100·0	100·0	100·0	100·0	100	100	100	104·7	483	3,586	+ 343
1977	114·2	98·3	98·0	99·6	95	101	97	107·1	743	4,392	+ 625
1978	131·0	103·8	98·3	107·1	106	111	103	130·1	1,429	6,021	+1,206
1979	153·2	108·6	102·0	110·8	111	122	106	139·7	1,798	7,281	+1,224
1976 *1*	94·7	99·4	100·9	99·0	100	96	99	100·7	191	833	+ 37
2	97·9	100·2	100·4	100·4	101	99	100	107·1	3	872	+ 79
3	101·1	100·3	100·2	100·5	100	101	100	95·5	105	913	+ 100
4	106·3	100·1	98·4	100·1	99	104	100	115·3	184	968	+ 127
1977 *1*	108·5	97·5	97·4	97·8	94	99	98	100·5	146	1,007	+ 144
2	110·7	96·5	97·6	97·2	90	99	95	99·0	138	1,100	+ 203
3	116·6	99·0	98·3	101·4	95	101	97	115·3	195	1,219	+ 262
4	120·9	100·3	98·7	101·9	99	103	99	113·6	264	1,292	+ 254
1978 *1*	123·7	101·3	98·5	103·5	101	105	100	126·9	387	1,372	+ 355
2	128·1	102·4	97·2	105·7	103	109	102	126·2	314	1,506	+ 375
3	134·3	105·5	98·1	110·2	109	114	103	139·3	364	1,559	+ 266
4	138·0	106·1	99·4	109·0	110	115	106	128·1	364	1,584	+ 210
1979 *1*	141·0	105·8	101·0	107·0	108	116	103	131·7	414	1,581	+ 220
2	154·1	113·0	103·3	105·4	114	134	110	171·8	496	1,867	+ 405
3	154·7	106·6	101·3	108·7	108	116	104	114·8	447	1,879	+ 324
4	163·1	109·1	102·4	112·0	115	120	105	140·3	441	1,954	+ 275
1980 *1*	168·9	110·2	103·2	113·7	115	120	108	138·8	402	1,974	+ 330
2	173·5	109·2	103·7	111·0	111	118	109	112·6	427	1,972	+ 171
3	176·0	108·9	101·5	110·7	112	119	110	120·7	463	1,947	+ 118
4											
1979 *A*	150·6	112·2	103·1	117·6	116	123	110	151·8	..	566	+ 74
M	149·0	109·4	102·2	110·9	108	127	107	160·7	..	621	+ 132
J	160·9	116·6	104·4	117·3	117	149	112	202·9	..	680	+ 199
J	151·3	105·2	101·1	108·1	102	115	102	96·0	..	629	+ 113
A	156·2	107·6	100·8	110·5	113	117	106	124·4	..	634	+ 102
S	156·3	106·9	101·8	107·7	109	117	105	124·1	..	616	+ 109
O	160·0	108·2	102·1	110·8	113	118	105	138·0	..	663	+ 97
N	164·4	110·2	102·5	112·1	119	123	106	145·8	..	698	+ 144
D	164·5	108·8	102·6	112·8	113	118	104	137·2	..	593	+ 34
1980 *J*	166·5	110·2	101·8	114·9	117	120	107	127·1	..	668	+ 74
F	169·7	111·0	103·9	113·7	116	121	110	131·6	..	665	+ 158
M	170·7	109·7	104·2	112·5	113	118	108	157·7	..	641	+ 98
A	172·3	109·6	104·0	112·3	114	117	108	105·1	..	675	+ 59
M	172·6	108·4	103·9	110·0	112	115	108	109·7	..	621	+ 39
J	175·1	109·5	103·4	110·8	107	123	110	123·0	..	676	+ 73
J	175·0	108·5	101·1	109·5	114	119	109	81·5	..	667	+ 60
A	176·8	109·6	101·8	112·0	117	118	110	135·2	..	623	+ 36
S	176·3	108·5	101·6	110·5	107	120	111	145·5	..	657	+ 22
O	179·0	109·7	103·1	111·3	113	119	111	105·1	..	621	− 15
N	179·2	109·2	102·5	112·2	108	119	111	116·7	..	579	− 45
D											

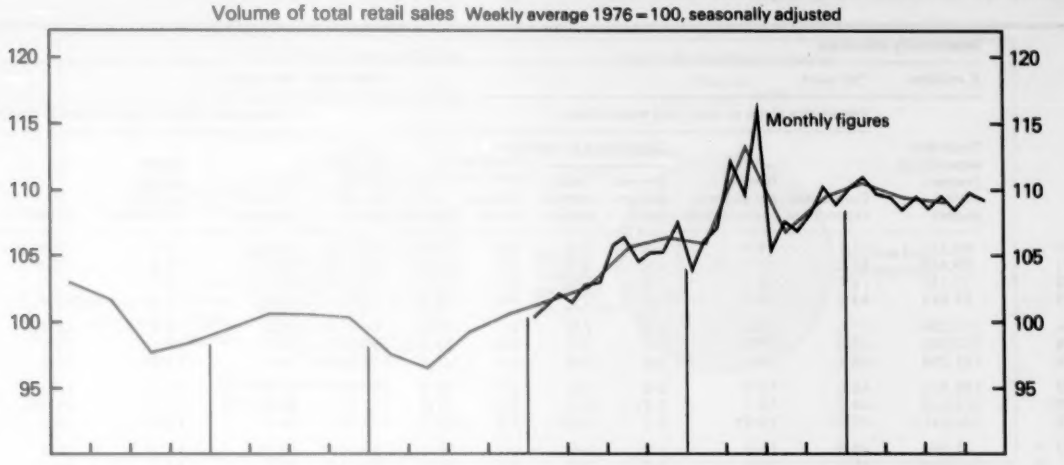
[1] Monthly averages.

[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The series from 1977 onwards are to be revised in the light of the results of the 1977 to 1979 Retailing Inquiries. Past experience suggests that revisions will be mainly upwards. The results will be published in *British business* in one or two months' time.

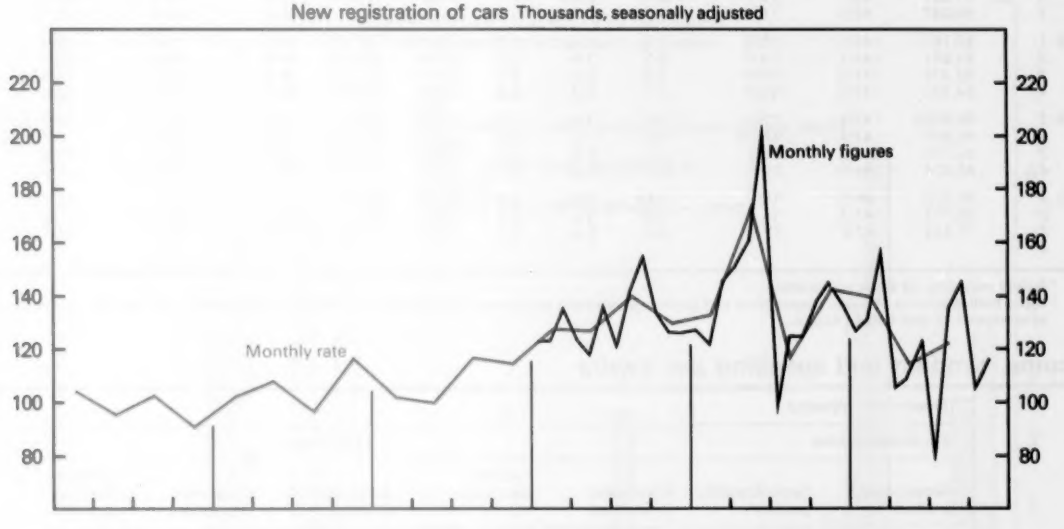
[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. There is a break in the series between the first and second quarters of 1977 due to a change in coverage. Up to the first quarter of 1977 the series excludes 'other consumer credit grantors' but includes charges for credit. From the second quarter of 1977 charges for credit are excluded but 'other specialist consumer credit grantors' are included. For further details see *Trade and Industry*, 12 April 1979. The retail sales statistics are now rebased on the results of the 1976 Retailing Inquiry. Owing to the volume of work involved in rebasing the retail sales and credit series, the retailers' credit statistics will have to continue to be based on the results of the 1971 Census of Distribution for some further months. Until the credit statistics have been rebased on the results of the 1976 Retailing Inquiry, direct comparisons between the published retail sales and retailers' credit statistics should not be made.

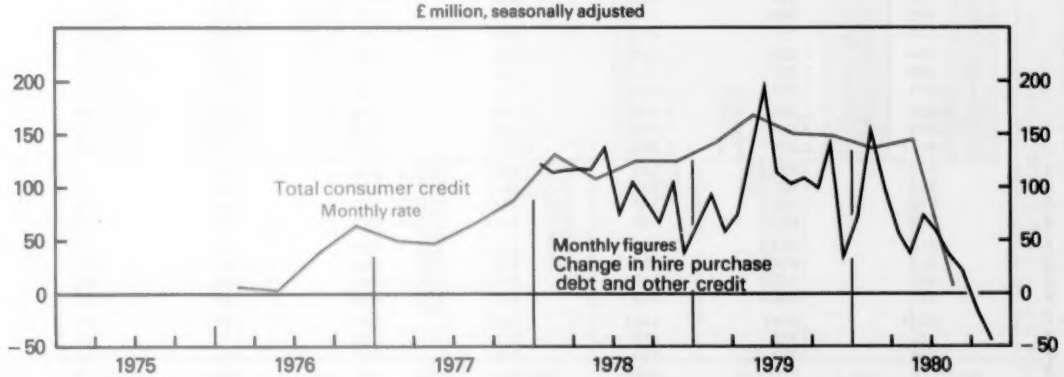
Volume of total retail sales **Weekly average 1976 = 100, seasonally adjusted**



New registration of cars **Thousands, seasonally adjusted**



£ million, seasonally adjusted



Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1, 2]
1970	62,211	51·1	14·4	3·9	2·7	8·6	18·6	45,112	67·7	13·4	18·9
1971	69,484	51·2	14·7	3·7	2·7	8·8	18·6	50,082	66·8	13·8	19·4
1972	77,161	52·1	15·1	3·5	2·3	9·2	17·7	57,198	66·1	14·1	19·8
1973	91,949	49·8	14·5	4·0	2·3	9·2	18·6	68,137	64·2	15·1	20·6
1974	110,254	47·6	15·0	4·0	2·6	8·7	20·8	80,014	66·2	13·4	20·4
1975	133,392	48·3	17·3	3·7	2·9	8·6	20·2	99,042	68·8	12·1	19·1
1976	161,204	46·4	16·6	3·3	2·9	8·4	21·8	115,945†	66·9	13·0†	20·0
1977	185,634	46·0	15·7	2·6	2·6	8·7	23·3	129,856	65·9†	13·9	20·2
1978	209,536	46·9	15·7	2·2†	2·4	9·6	22·6	147,872	66·0	13·7	20·2†
1979	244,941†	47·2†	15·6†	2·1	2·3†	9·4	22·3	172,687	66·0	14·5	19·5
1977 *1*	44,204	45·9	15·8	2·8	2·6	8·2	23·1	31,783†	65·1†	14·7†	20·2
2	45,962	45·7	15·8	2·6	2·6	8·7	23·3	32,090	65·7	14·2	20·1
3	47,221	46·1	15·7	2·5	2·6	8·7	24·2	32,846	65·9	13·7	20·4
4	48,247	46·5	15·6	2·5	2·5	9·2	22·8	33,137	66·9	13·0	20·1†
1978 *1*	50,167	46·9	15·8	2·3	2·3	9·7	22·7	34,798	66·1	13·9	20·0
2	51,661	46·7	15·6	2·2	2·5	9·7	22·6	36,824	65·6	14·3	20·1
3	53,375	47·0	15·6	2·2	2·3	9·5	22·7	37,590	66·2	13·4	20·4
4	54,333	47·2	15·9	2·1	2·4	9·5	22·6	38,660	66·3	13·4	20·3
1979 *1*	55,660†	47·9†	15·8	2·1	2·4	9·3	20·9	39,871	66·6	13·1	20·3
2	60,897	47·4	15·3†	1·9	2·2	9·2	23·1	42,598	65·1	15·3	19·6
3	62,760	46·6	15·9	2·2	2·3	9·3	22·6	44,092	66·1	14·7	19·2
4	65,624	46·9	15·6	2·1	2·2	9·7†	22·5	46,126	66·1	14·8	19·1
1980 *1*	68,073	48·0	15·8	1·9†	2·3	9·6	23·3	48,242	65·5	15·3	19·2
2	69,774	47·2	16·7	1·9	2·5	9·4	22·5	48,646	68·4	12·7	18·9
3	70,464	47·8	17·7	2·0	2·4	9·5	22·2	49,722	70·0	10·7	19·3
4											

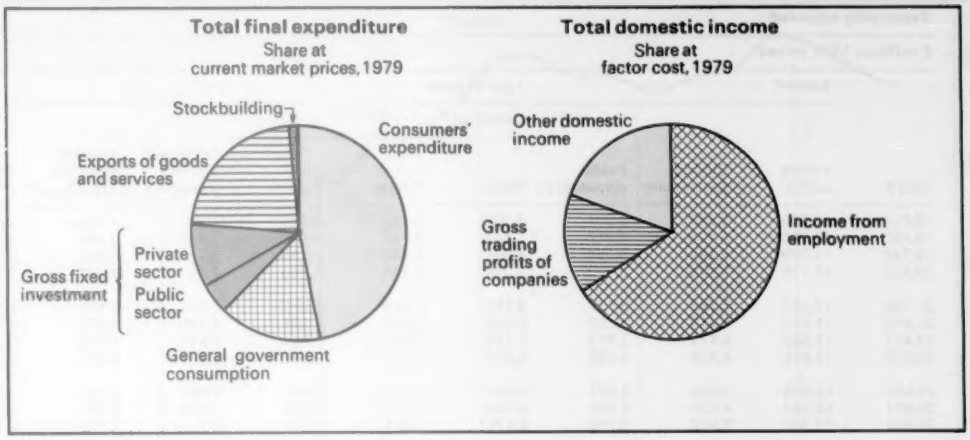
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

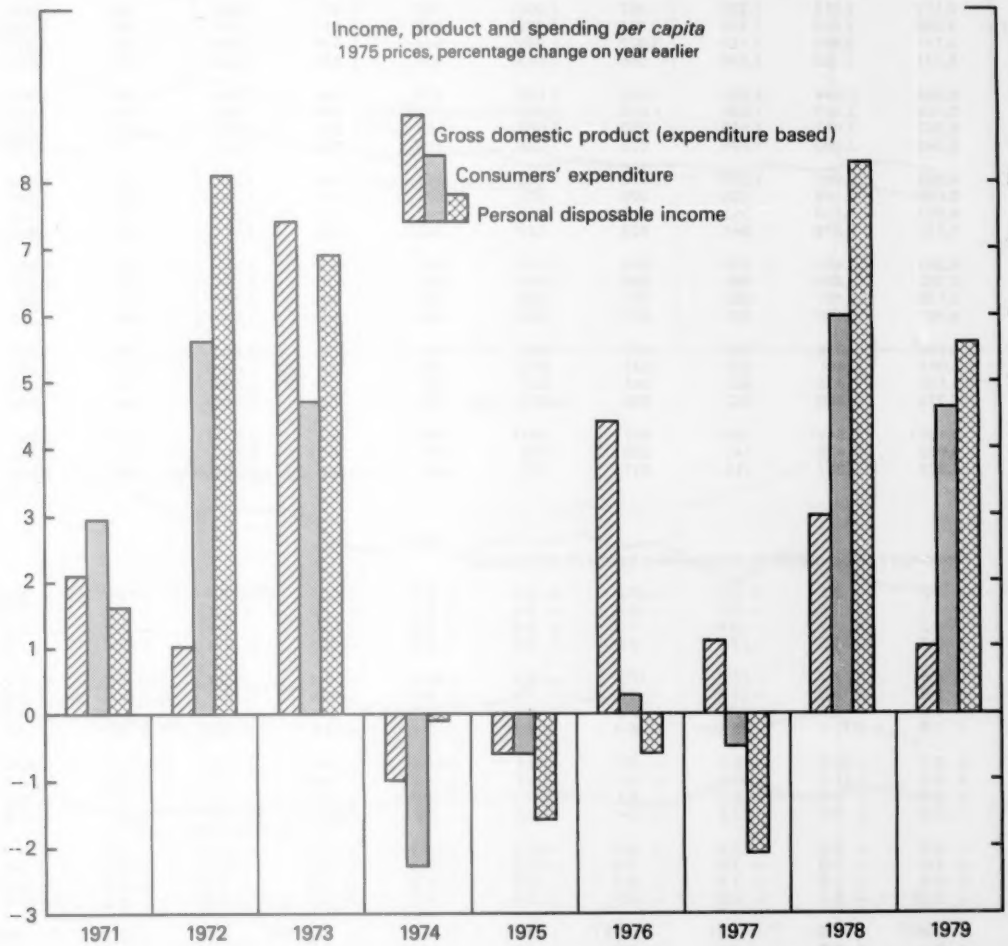
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income
1971	896	887	639	692	1,572	1,072	1,160
1972	999	989	719	797	1,588	1,132	1,254
1973	1,170	1,147	817	925	1,705	1,185	1,341
1974	1,354	1,329	937	1,084	1,688	1,158	1,339
1975	1,692	1,678	1,151	1,318	1,678	1,151	1,318
1976	2,011	1,988	1,336	1,515	1,751	1,155	1,310
1977	2,256	2,255	1,529	1,708	1,770	1,149	1,283
1978	2,593	2,584	1,760	2,009	1,823	1,218	1,390
1979	2,947†	2,938†	2,065†	2,380†	1,841†	1,274†	1,468
1977 *1*	537	535	363	406	436	284	318
2	552	552	376	414	441	284	314
3	573	574	389	435	441	288	321
4	594	594	401	453	452	293	330
1978 *1*	618	617	421	463	450	300	330
2	643	639	432	494	458	301	345
3	661	659	449	519	456	308	356
4	671	669	458	533	459	309	359
1979 *1*	680†	674†	476†	549	450†	312†	360
2	733	733	516	573	470	328	365
3	758	753	523	608	459	314	364
4	776	778	550	650	462	320	379
1980 *1*	797	798	584	664	457	328	372†
2	841	843	588	692†	455	316	372
3	865	866	602	722	446	316	379
4							

[1] At factor cost. [2] Based on expenditure data.


Total final expenditure
Share at
current market prices, 1979
Stockbuilding
Consumers' expenditure
Exports of goods and services
Gross fixed investment
Private sector
Public sector
General government consumption
Total domestic income
Share at
factor cost, 1979
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (expenditure based)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
−1
−2
−3
1971
1972
1973
1974
1975
1976
1977
1978
1979

Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

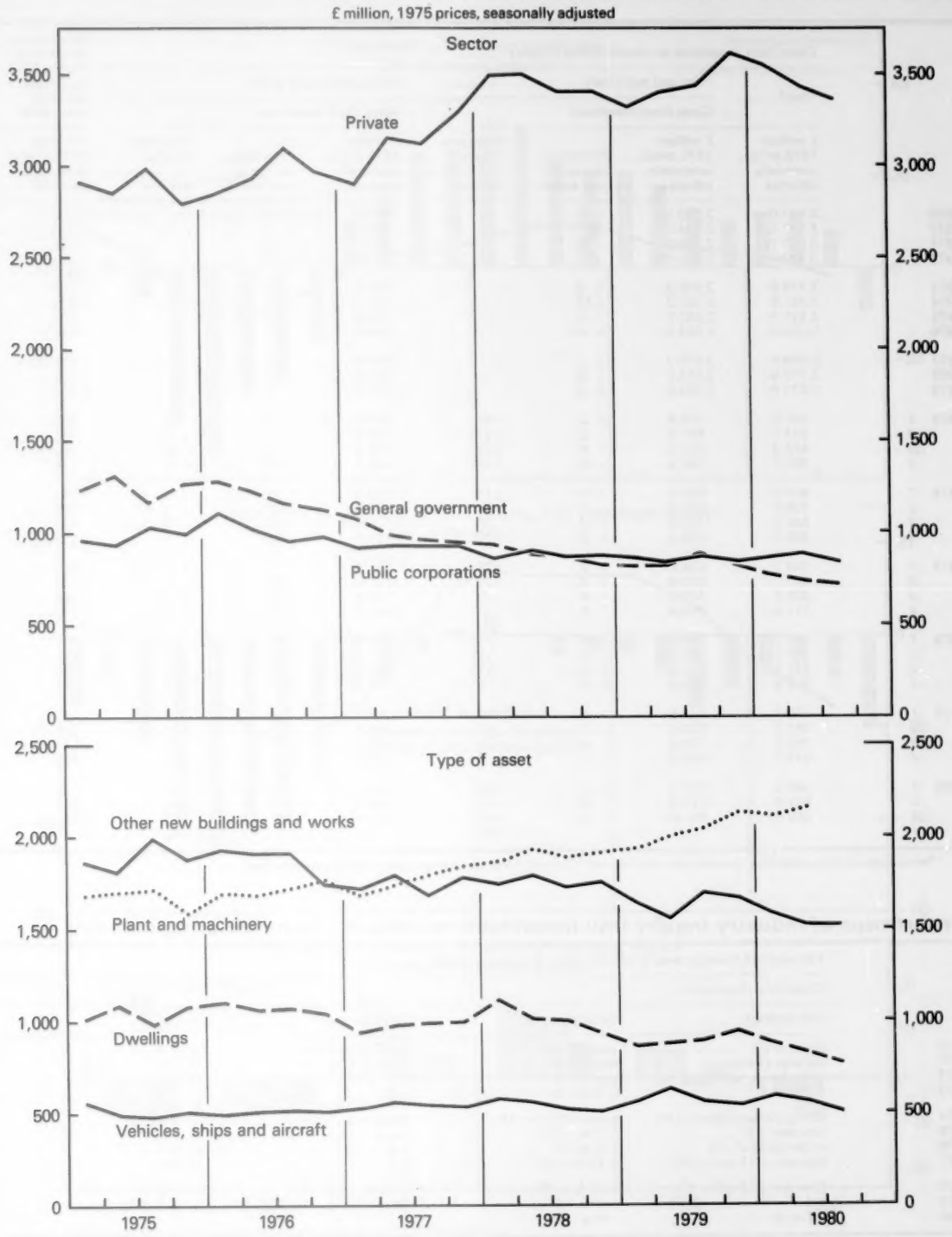
£ million, 1975 prices[1]

	Sector[2]			Type of asset					
				Dwellings					
					of which:				
	Total§	Private sector	General government	Public corporations	Total	Private	Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1969	18,954	10,390	5,385	3,201	4,187	2,187	2,087	7,352	1,694	6,043
1970	19,460	10,685	5,475	3,316	3,850	2,047	1,879	7,655	1,819	6,365
1971	19,743	11,099	5,297	3,334	4,091	2,440	1,733	7,781	1,882	6,264
1972	19,823	11,776	5,076	2,932	4,309	2,745	1,609	7,607	2,148	6,055
1973	21,195	12,267	5,793	3,135	4,152	2,449	1,703	7,852	2,416	6,775
1974	20,616	11,641	5,418	3,557	3,826	2,004	1,822	7,475	2,326	6,989
1975	20,417	11,530	4,974	3,913	4,146	2,182	1,964	7,547	2,039	6,685
1976	20,636	11,811	4,786	4,039	4,263	2,180	2,083	7,491	2,023	6,859
1977	20,089	12,438	3,964	3,687	3,894	2,033	1,861	6,991	2,152	7,052
1978	20,802	13,793	3,520	3,489	4,048	2,313	1,735	7,006	2,169	7,579
1979	20,506	13,761	3,352	3,393	3,575	1,994	1,581	6,550	2,275	8,106
1975 *1*	5,112	2,916	1,239	957	1,006	539	467	1,861	562	1,683
2	5,086	2,846	1,306	934	1,082	566	516	1,811	493	1,700
3	5,178	2,986	1,165	1,027	985	544	441	1,995	481	1,717
4	5,041	2,782	1,264	995	1,073	533	540	1,880	503	1,585
1976 *1*	5,226	2,844	1,280	1,102	1,100	570	530	1,938	498	1,690
2	5,158	2,920	1,226	1,012	1,057	531	526	1,903	506	1,692
3	5,203	3,097	1,156	950	1,068	565	503	1,909	514	1,712
4	5,049	2,950	1,124	975	1,038	514	524	1,741	505	1,765
1977 *1*	4,883	2,892	1,079	912	940	444	496	1,736	522	1,685
2	5,065	3,149	988	928	975	505	470	1,794	556	1,740
3	4,997	3,119	953	925	982	542	440	1,682	541	1,792
4	5,144	3,278	944	922	997	542	455	1,779	533	1,835
1978 *1*	5,287	3,493	938	856	1,110	641	469	1,741	579	1,857
2	5,282	3,499	889	894	1,005	580	425	1,794	557	1,926
3	5,136	3,401	868	867	999	553	446	1,721	525	1,891
4	5,097	3,400	825	872	934	539	395	1,750	508	1,905
1979 *1*	4,998	3,318	818	862	862	479	383	1,640	559	1,937
2	5,052	3,401	820	831	878	490	388	1,551	625	1,998
3	5,182	3,436	882	864	893	487	406	1,693	551	2,045
4	5,274	3,606	832	836	942	538	404	1,666	540	2,126
1980 *1*	5,169†	3,547†	765†	857†	883†	481†	402	1,573†	593†	2,120†
2	5,058	3,429	741	888	818	467	351†	1,516	570	2,154
3	4,923	3,357	719	847	758	431	327	1,517	507	2,141
4										

Percentage change, quarter on corresponding quarter of previous year

1976 *1*	+ 2·2	− 2·5	+ 3·3	+15·2	+ 9·3	+ 5·8	+13·5	+ 4·1	−11·4	+ 0·4
2	+ 1·4	+ 2·6	− 6·1	+ 8·4	− 2·3	− 6·2	+ 1·9	+ 5·1	+ 2·6	− 0·5
3	+ 0·5	+ 3·7	− 0·8	− 7·5	+ 8·4	+ 3·9	+14·1	− 4·3	+ 6·9	− 0·3
4	+ 0·2	+ 6·0	−11·1	− 2·0	− 3·3	− 3·6	− 3·0	− 7·4	+ 0·4	+11·4
1977 *1*	− 6·6	+ 1·7	−15·7	−17·2	−14·5	−22·1	− 6·4	−10·4	+ 4·8	− 0·3
2	− 1·8	+ 7·8	−19·4	− 8·3	− 7·8	− 4·9	−10·6	− 5·7	+ 9·9	+ 2·8
3	− 4·0	+ 0·7	−17·6	− 2·6	− 8·1	− 4·1	−12·5	−11·9	+ 5·3	+ 4·7
4	+ 1·9	+11·1	−16·0	− 5·4	− 3·9	+ 5·4	−13·2	+ 2·2	+ 5·5	+ 4·0
1978 *1*	+ 8·3	+20·8	−13·1	− 6·1	+18·1	+44·4	− 5·4	+ 0·3	+10·9	+10·2
2	+ 4·3	+11·1	−10·0	− 3·7	+ 3·1	+14·9	− 9·6	—	+ 0·2	+10·7
3	+ 2·8	+ 9·0	− 8·9	− 6·3	+ 1·7	+ 2·0	+ 1·4	+ 2·3	− 3·0	+ 5·5
4	− 0·9	+ 3·7	−12·6	− 5·4	− 6·3	− 0·6	−13·2	− 1·6	− 4·7	+ 3·8
1979 *1*	− 5·5	− 5·0	−12·8	+ 0·7	−22·3	−25·3	−18·3	− 5·8	− 3·5	+ 4·3
2	− 4·4	− 2·8	− 7·8	− 7·0	−12·6	−15·5	− 8·7	−13·5	+12·2	+ 3·7
3	+ 0·9	+ 1·0	+ 1·6	− 0·3	−10·6	−11·9	− 9·0	− 1·6	+ 5·0	+ 8·1
4	+ 3·5†	+ 6·1	+ 0·8	− 4·1	+ 0·9	− 0·2	+ 2·3	− 4·8	+ 6·3	+11·6
1980 *1*	+ 3·4	+ 6·9†	− 6·5†	− 0·6†	+ 2·4†	+ 0·4†	+ 5·0	− 4·1†	+ 6·1†	+ 9·4†
2	+ 0·1	+ 0·8	− 9·6	+ 6·9	− 6·8	− 4·7	− 9·5	− 2·3	− 8·8	+ 7·0
3	− 5·0	− 2·3	−18·5	− 2·0	−15·1	−11·5	−19·5	−10·4	− 8·0	+ 4·7
4										

[1] For the years before 1973, totals may not equal the sum of their components, because of the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.


£ million, 1975 prices, seasonally adjusted
Sector
Private
General government
Public corporations
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Type of asset
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
2,500
2,000
1,500
1,000
500
0
1975
1976
1977
1978
1979
1980

Indicators of fixed investment by manufacturing industry

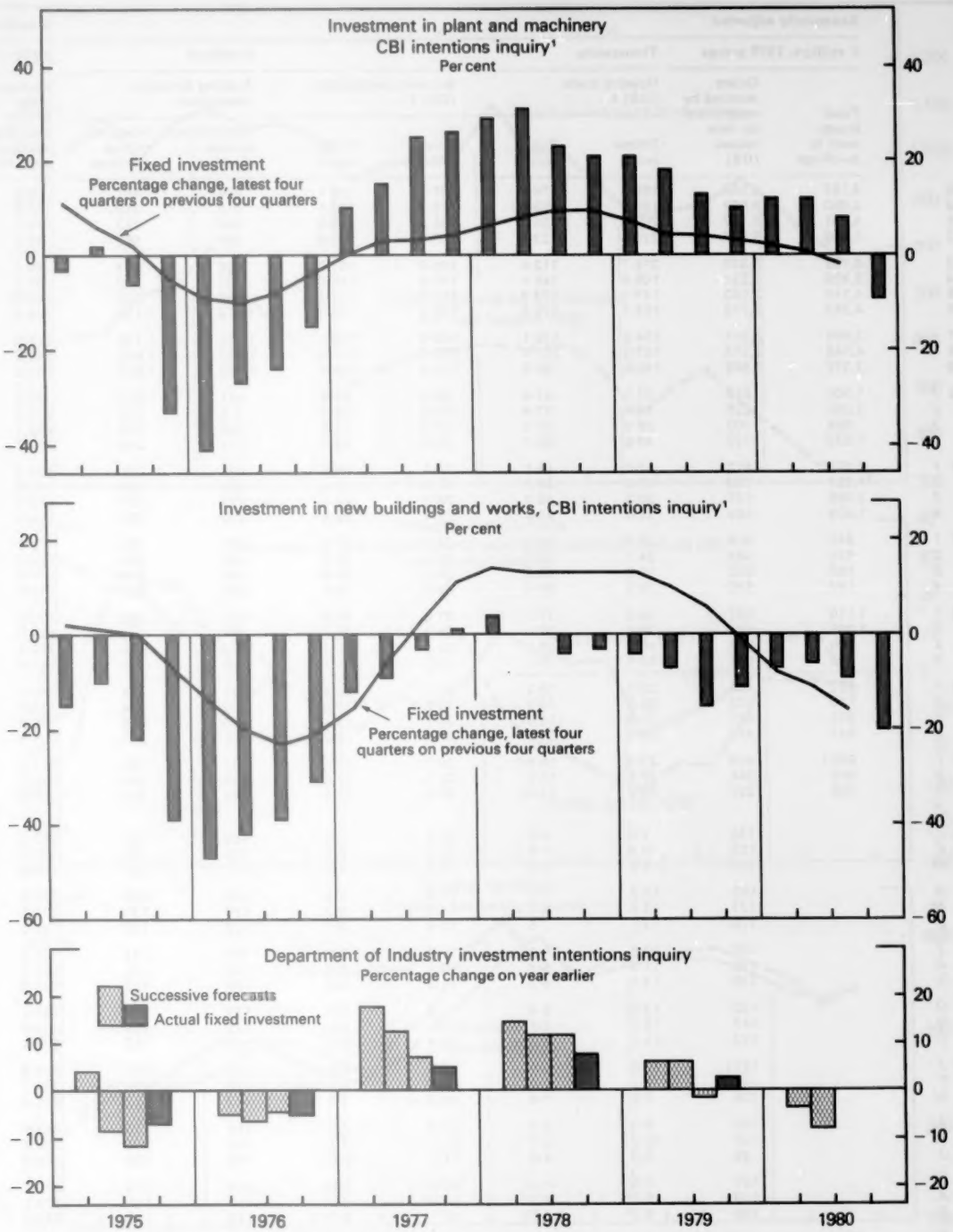
		Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
		Total§	Plant and machinery			New building and works			
			Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1969		3,877·0	2,679·5	+ *4*	..	973·6	*+16*	..	1,507
1970		4,177·0	2,974·2	*+11*	..	980·8	+ *1*	..	1,410
1971		3,897·7	2,795·3	− *6*	..	880·4	*−10*	..	1,012
1972		3,370·4	2,420·4	*−13*	..	710·6	*−19*	..	1,003
1973		3,439·8	2,505·3	+ *4*	..	674·4	− *5*	..	1,287
1974		3,781·8	2,821·3	*+13*	..	686·9	+ *2*	..	1,076
1975		3,521·9	2,682·1	− *5*	..	639·9	− *7*	..	684
1976		3,325·8	2,584·5	− *4*	..	503·5	*−21*	..	797
1977		3,509·5	2,675·7	+ *4*	..	557·9	*+11*	..	955
1978		3,772·9	2,914·7	+ *9*	..	630·6	*+13*	..	1,003
1979		3,873·0	3,005·4	+ *3*	..	621·7	− *1*	..	1,004
1975	*1*	940·5	709·9	+ *3*	−41	175·9	+ *3*	−47	209
	2	902·7	687·5	− *2*	−27	168·0	− *1*	−42	164
	3	848·3	644·3	− *8*	−24	156·3	− *8*	−39	183
	4	830·4	640·4	*−12*	−15	139·7	*−20*	−31	128
1976	*1*	809·2	622·1	*−13*	10	133·3	*−25*	−12	181
	2	825·9	642·4	− *7*	15	124·0	*−26*	− 9	190
	3	840·4	654·4	+ *2*	25	124·6	*−20*	− 3	192
	4	850·3	665·6	+ *5*	26	121·6	*−13*	1	234
1977	*1*	836·7	635·5	+ *2*	29	133·2	—	4	215
	2	872·7	660·4	+ *3*	31	141·0	*+14*	—	256
	3	888·6	680·0	+ *4*	23	140·9	*+13*	− 4	244
	4	911·5	699·8	+ *5*	21	142·8	*+17*	− 3	240
1978	*1*	918·3	709·0	*+12*	21	147·4	*+11*	− 4	271
	2	959·5	746·3	*+13*	18	155·3	*+10*	− 7	258
	3	942·2	722·8	+ *6*	13	160·3	*+14*	−15	260
	4	952·9	736·6	+ *5*	10	167·6	*+17*	−11	215
1979	*1*	964·4	744·5	+ *5*	12	160·6	+ *9*	− 7	233
	2	962·4	747·2	—	12	153·8	− *1*	− 6	263
	3	969·1	750·4	+ *4*	8	158·7	− *1*	− 9	243
	4	977·1	763·3	+ *4*	− 9	148·6	*−11*	−20	265
1980	*1*	947·9	753·1	+ *1*	−18	131·3	*−18*	−30	213
	2	901·0	712·9	− *5*	−18	134·7	*−12*	−31	228
	3	866·5†	687·6†	− *8*†	−43	125·6†	*−21*	−47	203†
	4				−46			−48	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·7
1972	little change, perhaps a rise	about −3	−7	−13·5
1973	+2 to +5	+2 to +5	+6	+ 2·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·9
1975	less than +5	−7 to −10	about −11 or −12	− 6·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·6
1977	between +15 and +20	+10 to +15	+7	+ 5·5
1978	between +12 and +17	+10 to +13	+10 to +13	+ 7·5
1979	+4 to +8	+4 to +8	no change to −3	+ 2·7
1980	fall up to −7	−6 to −10		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: 1968–79', was published in *British business* on 24 September 1980. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.

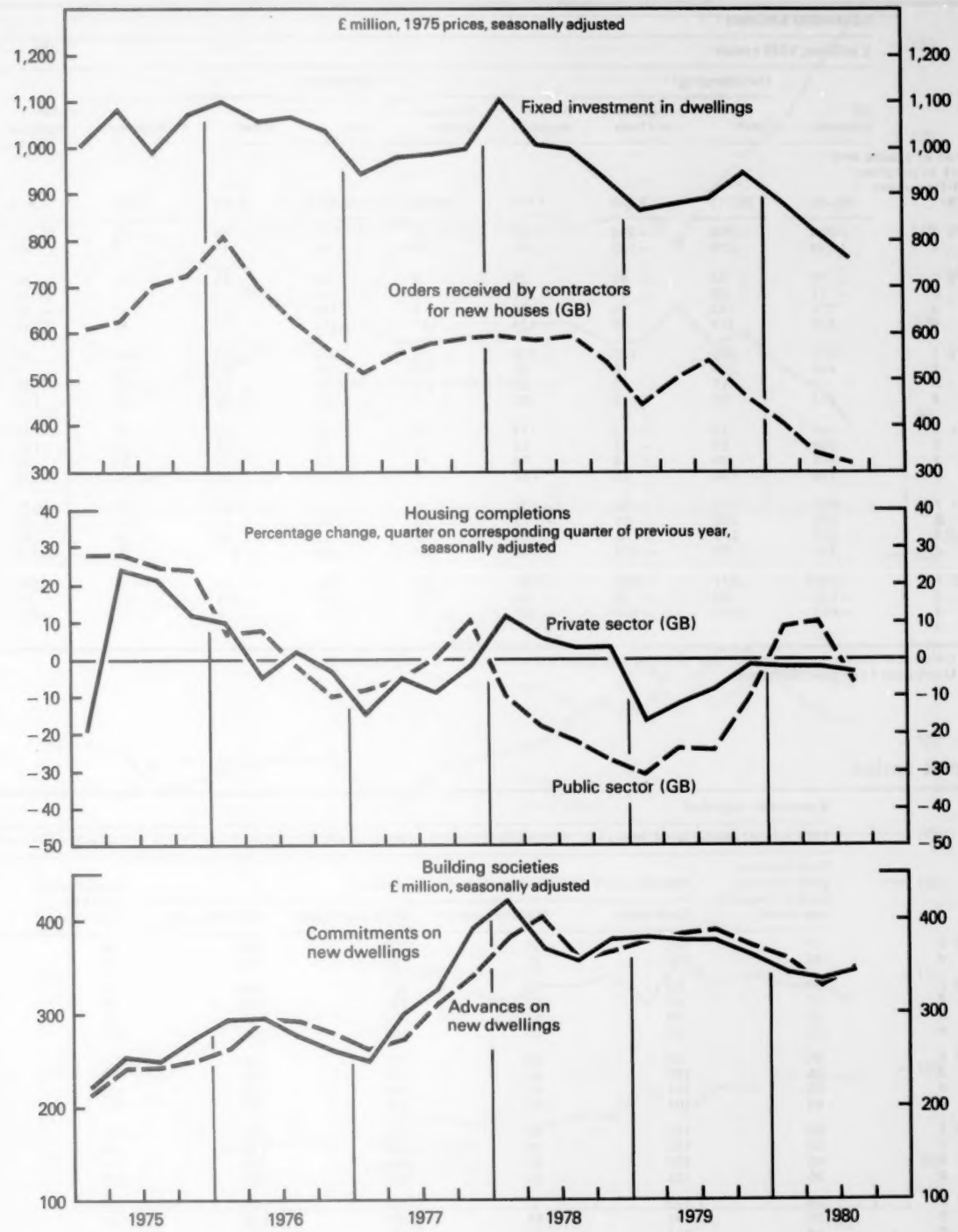


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 =100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[1]
			Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	
1969	4,187	3,064	166·8	176·6	181·7	185·1	484	451	39·3
1970	3,850	3,093	165·1	153·8	170·3	180·1	619	510	41·8
1971	4,091	3,147	207·4	136·9	191·6	158·9	840	713	48·1
1972	4,309	3,507	228·0	123·0	196·5	122·8	964	862	63·3
1973	4,152	3,320	215·7	112·8	186·6	107·5	816	903	86·2
1974	3,826	2,224	105·9	146·1	140·9	128·6	704	700	91·4
1975	4,146	2,663	149·1	173·8	150·8	162·3	994	945	100·0[2]
1976	4,263	2,712	154·7	170·8	152·2	163·0	1,119	1,125	108·4
1977	3,894	2,214	134·8	132·1	140·8	162·5	1,261	1,175	119·0
1978	4,048	2,316	157·3	107·4	149·0	130·8	1,523	1,503	142·6
1979	3,575	1,948	140·6	80·3	134·8	101·4	1,498	1,519	183·2
1975 *1*	1,006	610	33·1	41·4	35·8	37·8	221	212	95·3
2	1,082	625	37·4	37·8	39·6	39·3	254	242	100·0
3	985	702	38·0	43·9	37·6	42·5	248	242	102·1
4	1,073	726	40·6	50·7	37·8	42·7	271	249	102·7
1976 *1*	1,100	813	42·0	49·8	39·4	40·6	293	261	104·3
2	1,057	703	42·0	44·3	37·8	42·4	295	294	107·9
3	1,068	627	39·3	44·3	38·3	41·5	272	291	110·3
4	1,038	569	31·4	32·4	36·7	38·5	259	279	111·5
1977 *1*	940	514	29·9	30·3	33·8	37·5	246	259	112·7
2	975	558	34·7	32·7	36·0	40·3	298	269	116·6
3	982	552	35·3	34·6	34·8	41·8	326	308	120·5
4	997	590	34·9	34·5	36·2	42·9	391	339	124·5
1978 *1*	1,110	597	35·5	27·2	37·8	33·8	421	380	130·5
2	1,005	584	39·6	30·0	38·1	33·2	369	403	138·0
3	999	597	38·3	26·0	35·8	32·4	354	355	148·2
4	934	538	43·9	24·2	37·3	31·4	379	365	157·6
1979 *1*	862	444	28·0	18·2	31·2	23·2	381	375	166·1
2	878	502	35·5	20·9	33·8	25·3	378	384	178·2
3	893	541	37·9	19·9	32·7	24·7	378	389	190·6
4	942	461	39·2	21·3	37·1	28·2	361	371	201·8
1980 *1*	883†	404	27·3	16·6†	30·7	25·4	341	359	211·1
2	818	344	27·4	14·9	33·1	27·8	333	326	219·3
3	758	327	22·4[3]	12·9[3]	31·8[3]	26·1[3]	343	346	223·4
4									
1979 *J*	..	136	7·5	4·9	10·4	7·1	136	124	162·2
F	..	159	10·9	6·4	11·0	8·0	128	124	167·0
M	..	149	9·6	6·9	9·8	8·1	117	127	168·8
A	..	156	10·8	7·1	10·8	8·4	126	125	173·9
M	..	177	11·6	6·3	11·2	8·2	130	130	179·4
J	..	170	13·1	7·5	11·8	8·7	122	129	181·5
J	..	198	12·5	6·9	10·7	8·3	133	134	186·4
A	..	176	11·3	6·7	10·1	7·8	125	132	192·7
S	..	168	14·1	6·3	11·9	8·6	120	123	193·3
O	..	162	13·0	5·4	11·2	9·0	125	132	199·1
N	..	147	13·2	6·7	12·6	9·5	121	123	202·6
D	..	152	13·1	9·2	13·3	9·7	115	116	204·4
1980 *J*	..	127†	10·6	5·6	10·7	8·8	111	121	208·3
F	..	144	9·2	5·6	9·8	8·1	113	125	209·1
M	..	134	7·7	5·4	10·2	8·5	117	113	215·0
A	..	120	8·9	4·7	10·8	8·2	118	112	217·7
M	..	125	10·0	5·7	11·1	9·1	107	105	221·2
J	..	99	8·5	4·5	11·2	10·5	108	109	218·9
J	..	107	7·5[3]	4·4[3]	10·8[3]	8·9[3]	116	113	222·2
A	..	116	8·2[3]	4·3[3]	10·9[3]	8·7[3]	114	111	223·1
S	..	105	6·7[3]	4·2[3]	10·1[3]	8·5[3]	113	122	224·9
O	..	105[3]	7·7[3]	3·4[3]	10·5[3]	8·2[3]	112	122	224·7
N	..	94[3]	9·2[3]	3·5[3]	10·3[3]	8·9[3]	128	109	225·0
D	..								

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[3] Provisional.


£ million, 1975 prices, seasonally adjusted
1,200
1,100
1,000
900
800
700
600
500
400
300
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
40
30
20
10
0
– 10
– 20
– 30
– 40
– 50
Private sector (GB)
Public sector (GB)
Building societies
£ million, seasonally adjusted
400
300
200
100
Commitments on new dwellings
Advances on new dwellings
1975
1976
1977
1978
1979
1980

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1979[2]	36,693	20,111	7,208	7,184	5,719	9,100	4,251	4,849	7,482
1975 *3*	−354	−388	−296	− 65	− 27	13	66	− 53	21
4	−189	−275	−132	− 91	− 51	46	45	1	40
1976 *1*	− 20	− 43	− 63	23	− 3	65	45	20	− 42
2	− 71	− 60	− 51	39	− 48	—	− 3	3	− 11
3	270	152	93	79	− 19	182	112	70	− 64
4	475	314	49	124	141	112	74	38	49
1977 *1*	518	253	123	116	14	222	119	103	43
2	485	224	8	30	186	268	32	236	− 7
3	11	11	2	− 27	36	− 91	− 51	− 40	91
4	313	92	− 3	95	− 1	85	− 28	113	136
1978 *1*	185	73	− 2	13	62	73	39	34	39
2	308	85	− 34	43	75	93	141	− 48	130
3	205	69	− 8	36	42	87	66	21	49
4	145	108	26	152	− 70	60	82	− 22	− 23
1979 *1*	659	−115	− 94	− 77	55	147	87	60	627
2	296	153	97	77	− 22	192	63	129	− 49
3	324	204	− 5	82	128	67	95	− 28	53
4	331	− 76	−103	−149	177	193	176	17	214
1980 *1*	−288†	−471	−228	−181	− 62	−196	− 80	−116	379
2	−126	60	− 32	− 30	123	−237	−157	− 80	51
3	−656	−266	−189	− 62	− 15	−103	8	−111	−287
4									

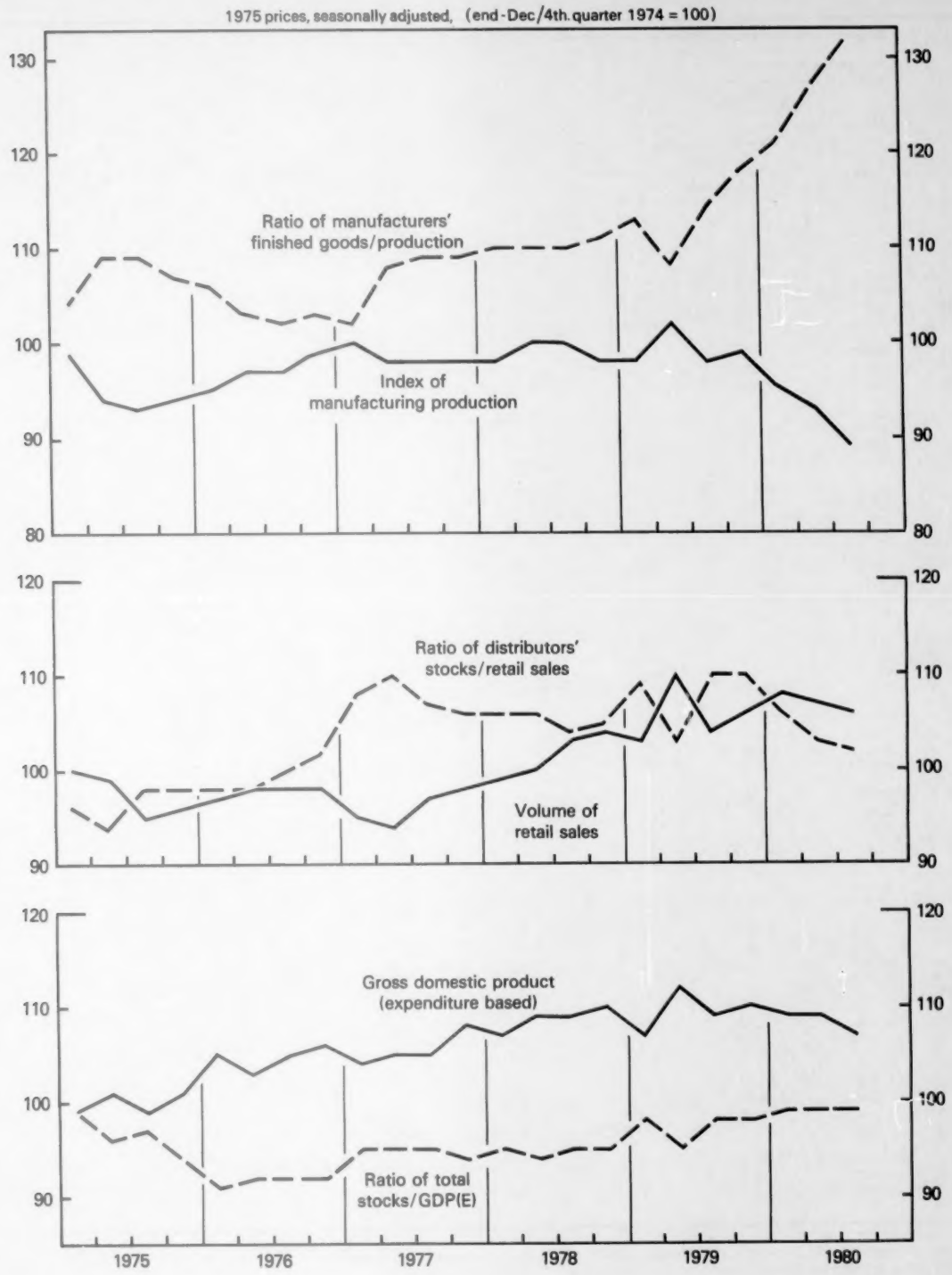
[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (E), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1975 *3*	97	103	97	105	109	98
4	94	101	95	103	107	98
1976 *1*	91	99	92	102	106	98
2	92	97	90	101	103	98
3	92	98	91	102	102	100
4	92	97	90	102	103	102
1977 *1*	95	97	90	102	102	108
2	95	100	92	105	108	110
3	95	101	92	105	109	107
4	94	101	92	106	109	106
1978 *1*	95	102	92	106	110	106
2	94	100	90	105	110	106
3	95	100	90	105	110	104
4	95	103	92	109	111	105
1979 *1*	98	103	91	109	113	109
2	95	99	89	105	108	103
3	98	104	92	110	114	110
4	98	103	90	108	117	110
1980 *1*	99	105	91	110	121	106
2	99	108	93	112	127	103
3	99	111	94	116	132	102
4						


1975 prices, seasonally adjusted, (end-Dec/4th.quarter 1974 = 100)
130
120
110
100
90
80
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1975
1976
1977
1978
1979
1980

Inland energy consumption

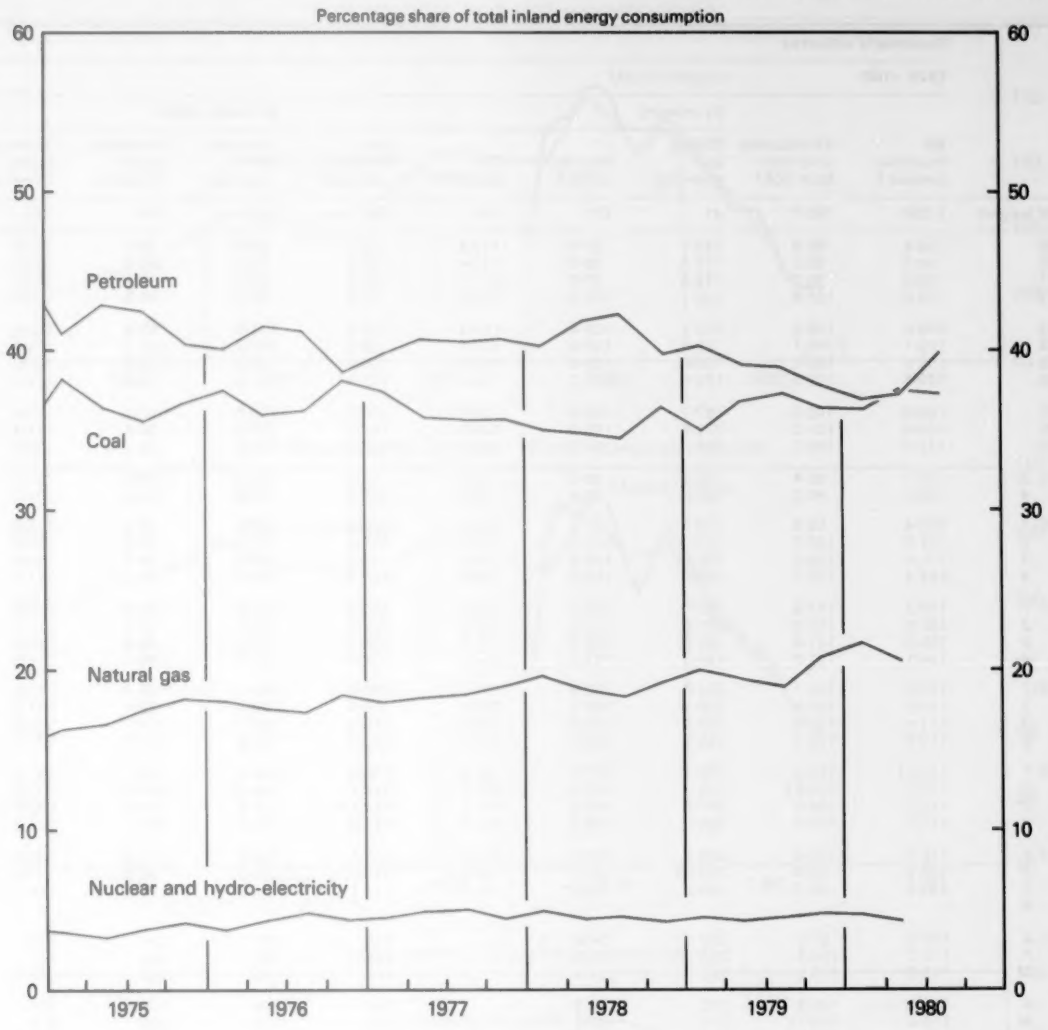
Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear electricity[4]	Hydro electricity[4]	Electricity available (GB)[5]	Gas available (GB)[6]
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1978	339·1	119·4	139·2	65·0	13·4	2·1	246·3	15·90
1979	349·5	127·2	137·0	69·3	13·8	2·2	255·0	16·72
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3	15·79
2	341·2	118·7	142·9	64·2	13·3	2·1	248·1	15·68
3	338·3	117·2	143·6	62·4	13·2	1·9	253·9	15·80
4	343·4	125·2	136·7	66·5	12·5	2·5	245·7	16·31
1979 *1*	349·1	121·8	141·0	70·3	14·5	1·5	252·6	16·50
2	355·8	131·3	139·4	69·4	13·3	2·4	257·6	16·77
3	352·1	131·8	137·8	66·6	13·3	2·6	257·7	16·87
4	342·1	124·8	129·8	71·1	14·0	2·4	252·0	16·73†
1980 *1*	335·8†	122·5†	124·5	73·2	13·7	1·9	242·5	16·67
2	326·0	122·5	122·0	67·2	12·9	1·4	248·1	16·72
3	324·5	121·4	123·2	64·7	12·4	2·8	249·0	16·55
4								

Percentage change, quarter on corresponding quarter of previous year

1977 *1*	+ 1·3	+ 0·6	—	+ 1·2	+27·5	−15·8	+ 3·0	+ 4·8
2	+ 0·9	+ 0·2	− 1·3	+ 4·7	+16·0	− 7·7	+ 1·0	+ 6·7
3	+ 2·9	+ 0·9	+ 1·0	+10·1	+ 7·5	+13·3	+ 1·6	+ 7·7
4	+ 2·9	− 3·8	+ 8·3	+ 5·4	− 2·2	+50·0	+ 0·2	+ 8·6
1978 *1*	− 1·6	− 7·6	− 0·5	+ 6·2	+ 5·0	+12·5	− 0·2	+ 5·6
2	+ 1·0	− 2·0	+ 3·8	+ 3·6	− 8·3	−12·5	+ 2·1	+ 2·3
3	− 0·7	− 3·6	+ 4·0	− 1·6	−15·9	+11·8	+ 2·3	+ 1·3
4	+ 1·7	+ 4·0	− 0·4	+ 3·4	− 4·6	+ 4·2	+ 6·0	+ 2·2
1979 *1*	+ 5·3	+ 4·4	+ 5·7	+ 8·3	− 0·7	−16·7	+ 6·4	+ 4·5
2	+ 4·3	+10·6	− 2·4	+ 8·1	—	+14·3	+ 3·8	+ 7·0
3	+ 4·1	+12·5	− 4·0	+ 6·7	+ 0·8	+36·8	+ 1·5	+ 6·8
4	− 0·4	− 0·3	− 5·0	+ 6·9	+12·0	− 4·0	+ 2·6	+ 2·6†
1980 *1*	− 3·8†	+ 0·6†	−11·7	+ 4·3†	− 5·6†	+23·4†	− 4·0	+ 1·0
2	− 8·3	− 6·7	−12·4	− 3·2	− 3·1	−41·5	− 3·7	− 0·3
3	− 7·8	− 7·9	−10·0	− 2·8	− 6·1	+ 5·8	− 3·4	− 1·9
4								

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.
[6] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
60
50
40
30
20
10
0
Petroleum
Coal
Natural gas
Nuclear and hydro-electricity
1975
1976
1977
1978
1979
1980

Index of industrial production

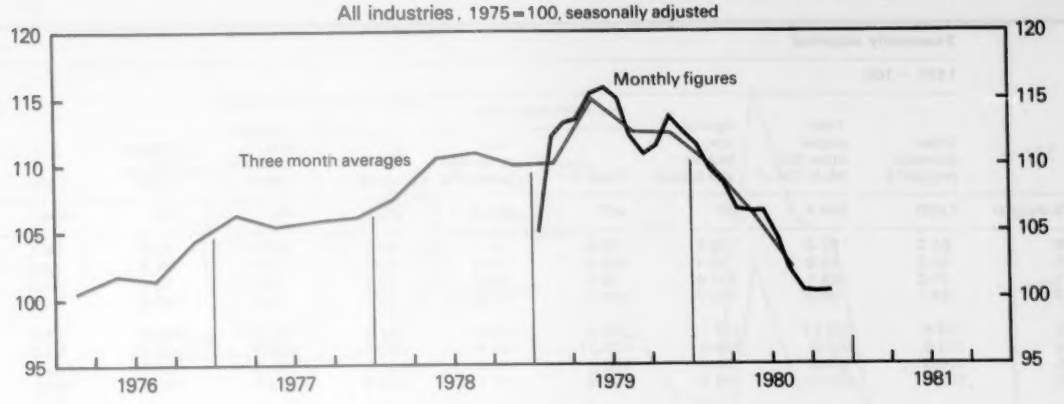
Seasonally adjusted

1975 =100

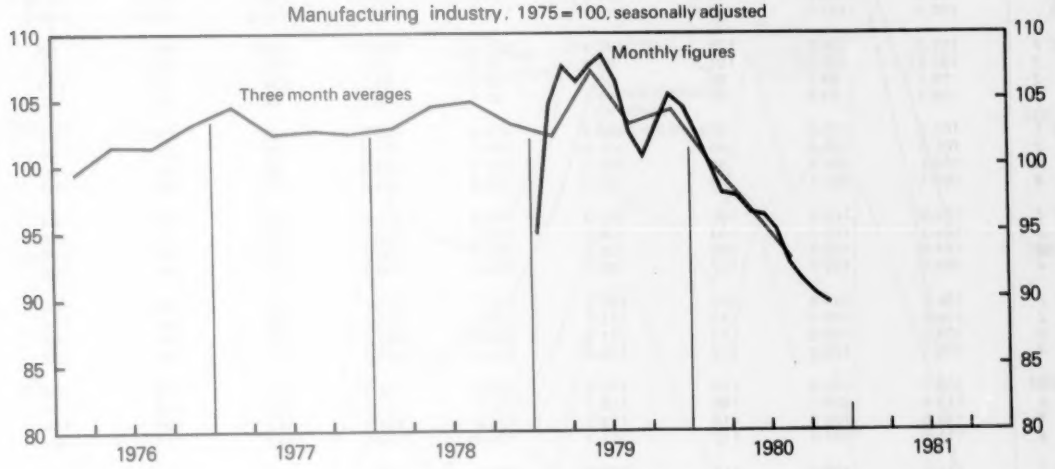
	All industries covered §	All industries other than MLH 104[2]	By industry: Mining and quarrying	By industry: Manufacturing §	By industry: Construction[3]	By industry: Gas, electricity and water	By market sector[1]: Consumer goods industries	By market sector[1]: Investment goods industries	By market sector[1]: Intermediate goods industries
1975 weights	*1,000*	*999·7*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1969	99·6	99·6	123·7	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	99·7	118·9	98·0	111·4	84·1	91·0	95·6	102·9
1971	99·8	99·7	118·9	97·5	113·3	87·3	93·3	93·7	102·1
1972	102·0	101·8	100·1	100·0	115·4	93·6	99·9	91·3	104·1
1973	109·5	109·3	110·1	108·4	118·2	98·6	107·9	99·0	112·6
1974	105·1	105·1	89·9	106·6	105·8	98·5	106·0	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	100·7	125·8	101·5	98·6	102·3	101·8	96·9	107·0
1977	105·9	102·0	187·7	103·0	98·3	106·4	104·6	98·4	115·4
1978	109·8	104·0	232·5	103·9	105·0	109·7	107·0	98·5	121·4
1979	112·6	104·3	294·7	104·2†	102·1	116·1	106·5	99·7	130·5
1975 *3*	98·3	98·4	98·2	98·0	99·5	98·4	98·6	98·5	97·4
4	99·6	99·2	107·8	98·9	99·3	101·6	98·8	98·0	101·3
1976 *1*	100·4	99·8	110·6	99·4	100·9	102·9	99·0	96·3	103·4
2	101·8	100·7	120·2	101·7	97·8	101·9	101·7	97·0	106·9
3	101·4	100·0	125·5	101·6	96·3	99·7	102·3	96·5	106·6
4	104·4	102·2	146·9	103·2	99·5	104·8	104·3	98·0	111·1
1977 *1*	106·2	102·8	175·0	104·5	97·4	105·5	105·5	98·8	115·4
2	105·5	101·5	190·6	102·5	97·2	107·5	104·1	97·7	115·7
3	105·9	101·8	189·8	102·7	98·4	107·2	104·0	98·6	115·6
4	106·1	101·8	195·3	102·4	100·3	105·6	104·7	98·5	114·8
1978 *1*	107·6	102·7	209·7	102·9	102·7	106·8	105·4	98·6	117·6
2	110·6	104·9	229·4	104·5	106·9	110·9	108·4	98·1	121·8
3	111·0	105·2	235·8	104·9	105·9	112·4	108·3	99·9	122·4
4	110·0	103·4	255·2	103·1	104·4	108·7	106·0	97·3	123·7
1979 *1*	110·1†	102·4	278·4	102·3	97·8	120·4	105·7	98·7	126·8
2	115·0	106·5†	296·7	107·3	102·7	116·7	109·2†	102·5	133·3
3	112·7	104·0	307·6	103·2	104·1	115·1†	105·6	96·4	132·4†
4	112·6	104·3	295·9	104·2	103·7	112·2	105·4	101·1	129·6
1980 *1*	110·0	101·4	305·6	100·1	102·4	113·1	104·6	100·9†	123·4
2	106·6	98·3	296·9†	96·8	98·9	112·0	98·2	96·0	123·2
3	102·4	94·3	290·0	93·0†	92·3†	111·1	96·9	94·3	116·7
4									
1979 *J*	105·0	97·2	280	94·8	..	121	101	94	118
F	112·2	104·1	285	104·8	..	121	106	100	131
M	113·3	105·9	269	107·4	..	120	110	102	131
A	113·6	105·8	282	108·3	..	116	108	102	130
M	115·4	106·7†	301	107·4	..	119	109	103	134
J	115·9	107·1	307	108·2	..	115	110	103	135
J	115·1	106·1	313	106·4	..	114	108	100	135
A	112·1†	103·5	304	102·5	..	116	105	95	132
S	110·9	102·3	306	100·7	..	115	104	93	130
O	111·6	103·2	299	102·9	..	110	105	99	129
N	113·7	105·4	296	105·2†	..	117	106	102	131
D	112·4	104·3	292	104·4	..	110	105	102	129
1980 *J*	111·6	103·2	301	102·3	..	117	107	103	125
F	109·7	101·0	307	100·0	..	109	105	102	122
M	108·7	99·9	309	97·9	..	114	102	98†	123
A	106·7	98·7	289†	97·7	..	109†	99	97	122
M	106·5	98·0	299	96·5	..	112	97	96	124
J	106·6	98·1	302	96·2	..	114	98†	95	124†
J	104·6	96·2	297	95·0	..	117	99	95	121
A	102·0	93·9	288	92·7	..	109	97	94	116
S	100·7	92·8	285	91·2	..	107	95	94	114
O	100·6	92·2	300	90·3	..	113	95	92	116
N	100·6	91·7	313	89·7	..	112	94	91	117
D					..				

[1] All industries other than construction.
[2] MLH 104: extraction of mineral oil and natural gas.
[3] For an index of construction output for Great Britain, see page 30.

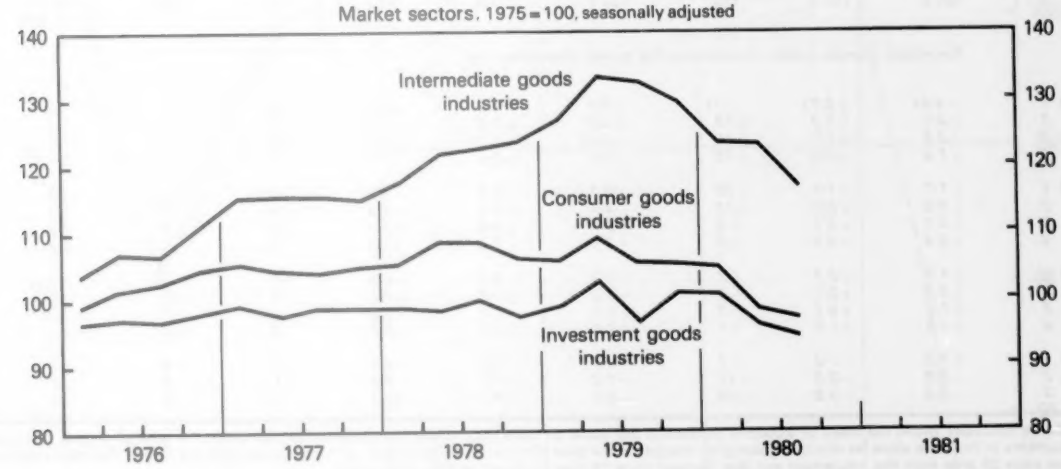
All industries, 1975 = 100, seasonally adjusted



Manufacturing industry, 1975 = 100, seasonally adjusted



Market sectors, 1975 = 100, seasonally adjusted



Index numbers of output at constant factor cost

Seasonally adjusted

1975 = 100

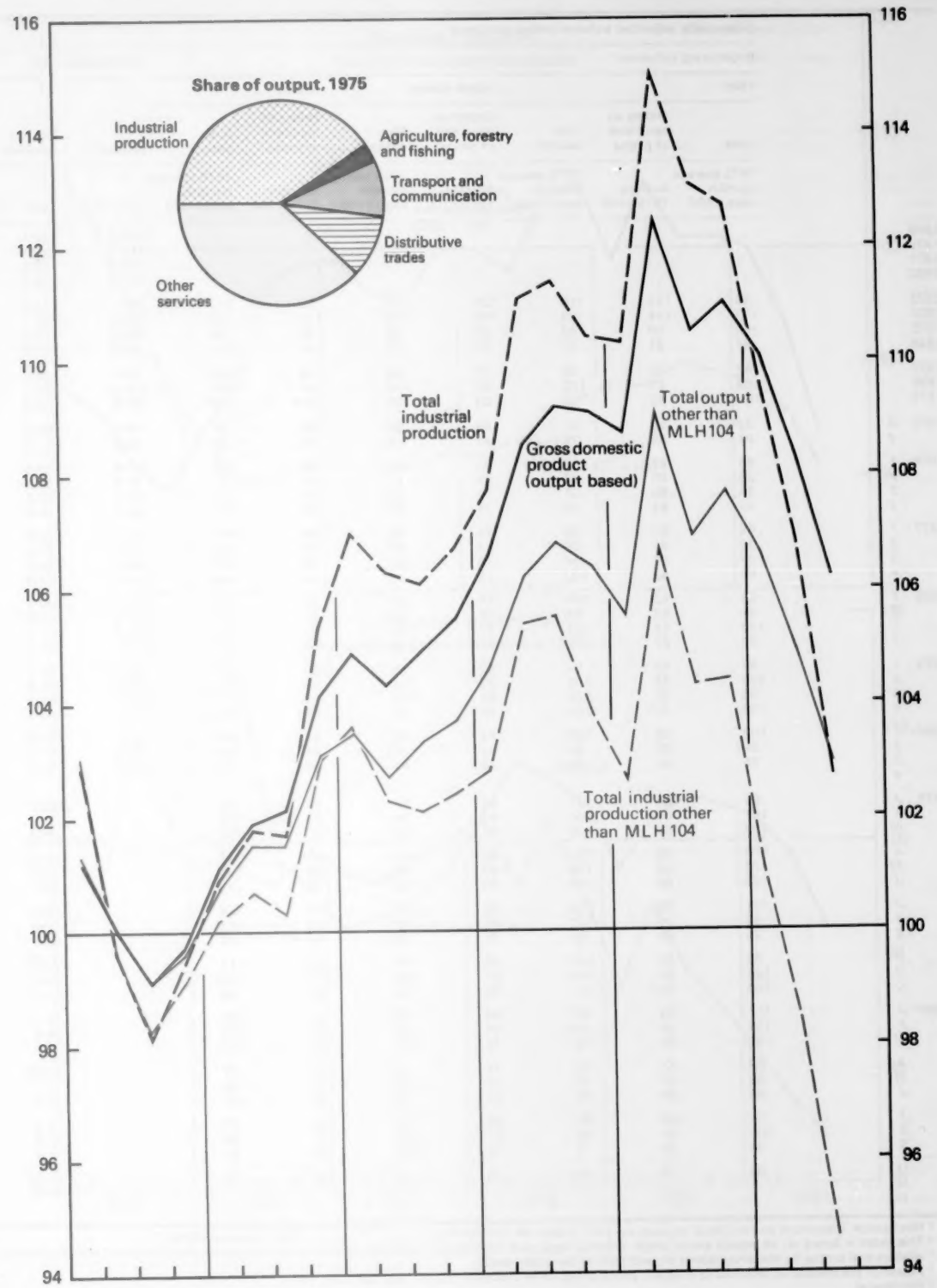
	Gross domestic product[1] §	Total output other than MLH 104[1,2]	Agriculture, forestry and fishing	Industrial production: Total[1] §	Industrial production: Total other than MLH 104[1,2]	Industrial production: Manufacturing[1]	Transport and communication	Distributive trades	Other
1975 weights	*1,000*	*999·9*	*28*	*407*	*406·6*	*283*	*88*	*101*	*376*
1969	92·2	92·2	90·8	99·9	99·9	98·0	83·4	92·5	86·1
1970	93·8	93·8	96·3	100·0	99·9	98·4	86·9	94·6	88·4
1971	95·2	95·1	101·4	99·7	99·6	97·3	89·2	96·1	91·0
1972	98·1	98·0	104·7	101·7	101·5	99·7	93·5	100·9	94·2
1973	103·8	103·7†	107·1†	109·8	109·6†	108·8	100·6	106·8	97·0
1974	102·0	102·0	108·4	105·7†	105·8	107·5	100·9†	103·4†	97·3
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·3	101·7	92·0	102·4	101·1	102·0	99·0	100·8	104·1
1977	104·9†	103·3	103·6	106·5	102·6	103·9	101·8	99·9	105·3†
1978	108·4	106·0	112·0	110·2	104·4	104·4†	104·7	105·3	107·8
1979	110·7	107·3	110·6	112·8	104·5	104·5	110·3	110·4	108·6
1975 *1*	101·2	101·3	103	102·9†	103·1†	104·3†	102†	102	99
2	100·0†	100·0†	101	99·6	99·6	99·2	100	102	100
3	99·1	99·1	99	98·1	98·2	97·7	100	98	100
4	99·7	99·6	97	99·5	99·1	98·8	98	98	101
1976 *1*	101·1	100·8	93†	100·9	100·2	100·0	98	100	103
2	101·9	101·5	90	101·8	100·7	101·7	98	101	104
3	102·1	101·5	90	101·7	100·3	102·0	99	101	104
4	104·1	103·1	95	105·3	103·0	104·4	101	101	105
1977 *1*	104·9	103·5	100	107·0	103·6	105·6	103	100	105
2	104·3	102·7	103	106·3	102·3	103·6	100	98	105
3	104·9	103·3	105	106·1	102·1	103·1	102	100	106
4	105·5	103·7	107	106·7	102·4	103·3	102	101	106
1978 *1*	106·6	104·6	110	107·7	102·8	103·1	103	103	107
2	108·5	106·2	113	111·1	105·4	105·2	105	105	107
3	109·2	106·8	113	111·4	105·5	105·4	104	107	108
4	109·1	106·4	112	110·4	103·8	103·7	107	107	109
1979 *1*	108·7	105·5	110	110·3	102·6	102·6	104	108†	108
2	112·5	109·1	109	115·1	106·7	107·4	112	115	109
3	110·5	106·9	110	113·1	104·3	103·7	113	108	108
4	111·0	107·7	113	112·7	104·4	104·3	112	111	109
1980 *1*	110·1	106·6	118	109·6	101·0	99·6	112	112	109
2	108·3	104·9	121	106·8	98·4	97·1	111	109	108
3	106·2	102·9	122	102·7	94·6	93·2	112	107	107†

Percentage change, quarter on corresponding quarter of previous year

1977 *1*	*+3·8†*	*+2·7†*	*+7†*	*+6·0*	*+3·3*	*+5·6†*	*+5*	*—*	*+2*
2	*+2·4*	*+1·2*	*+14*	*+4·5*	*+1·6*	*+1·9*	*+2*	*−3*	*+1*
3	*+2·8*	*+1·7*	*+16*	*+4·3†*	*+1·7†*	*+1·1*	*+3*	*−1*	*+1*
4	*+1·4*	*+0·6*	*+13*	*+1·3*	*−0·6*	*−1·1*	*+1*	*—*	*+1*
1978 *1*	*+1·7*	*+1·1*	*+10*	*+0·7*	*−0·7*	*−2·3*	*+1†*	*+3*	*+2*
2	*+4·0*	*+3·5*	*+10*	*+4·5*	*+3·1*	*+1·5*	*+4*	*+7*	*+2*
3	*+4·1*	*+3·4*	*+8*	*+5·0*	*+3·4*	*+2·2*	*+3*	*+7*	*+2*
4	*+3·4*	*+2·5*	*+5*	*+3·5*	*+1·4*	*+0·4*	*+4*	*+5*	*+2*
1979 *1*	*+1·9*	*+0·8*	*+1*	*+2·4*	*−0·3*	*−0·6*	*+1*	*+4†*	*+1*
2	*+3·7*	*+2·7*	*−3*	*+3·6*	*+1·2*	*+2·1*	*+7*	*+10*	*+2*
3	*+1·2*	*+0·1*	*−3*	*+1·5*	*−1·2*	*−1·6*	*+8*	*+1*	*—†*
4	*+1·8*	*+1·2*	*+1*	*+2·0*	*+0·6*	*+0·6*	*+5*	*+4*	*—*
1980 *1*	*+1·3*	*+1·0*	*+7*	*−0·6*	*−1·5*	*−2·9*	*+8*	*+4*	*+1*
2	*−3·8*	*−3·9*	*+11*	*−7·2*	*−7·7*	*−9·6*	*−1*	*−5*	*−1*
3	*−3·9*	*−3·8*	*+10*	*−9·1*	*−9·3*	*−10·1*	*−1*	*−1*	*—*

[1] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[2] MLH 104: Extraction of mineral oil and natural gas.

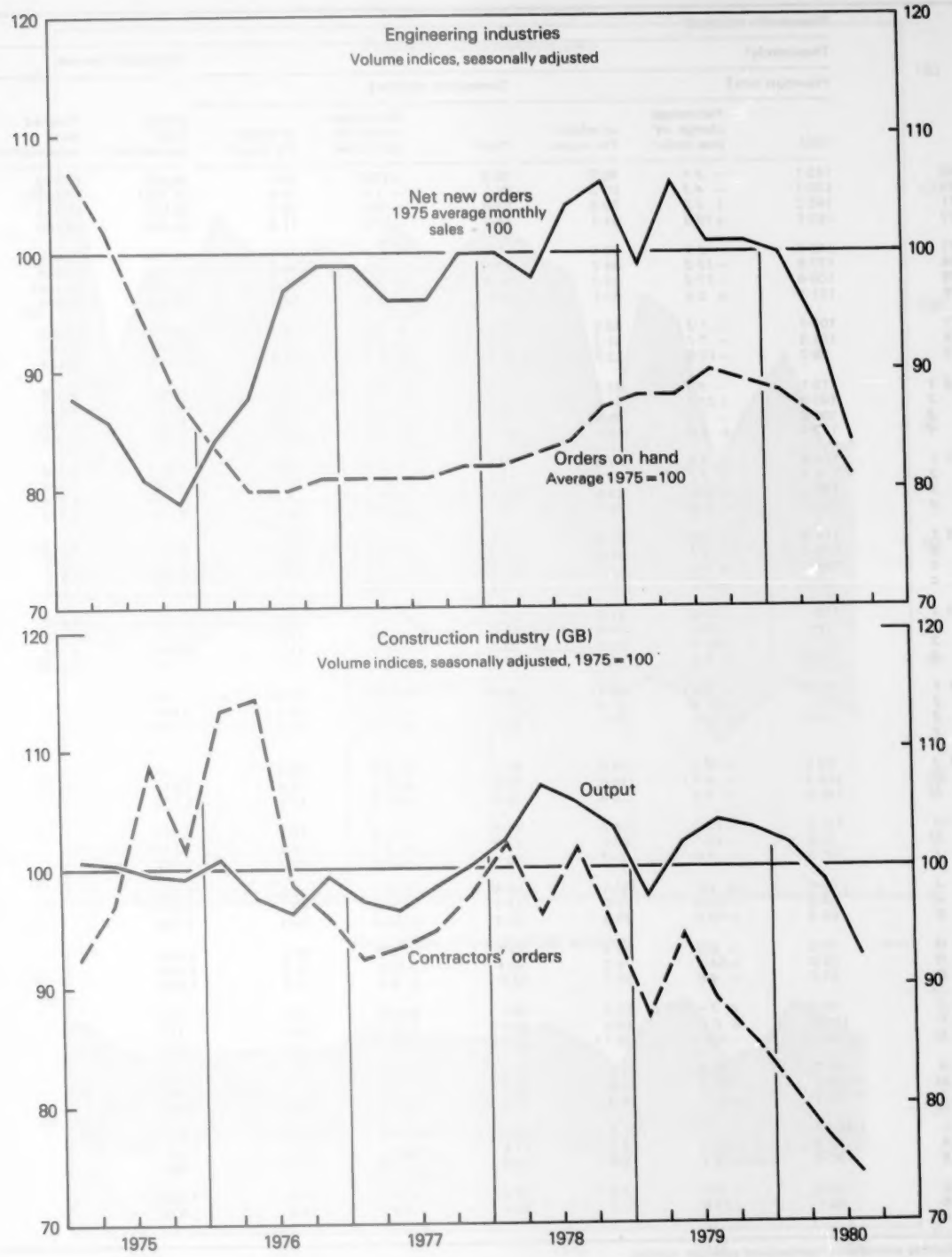

Share of output, 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Total industrial production
Gross domestic product (output based)
Total output other than MLH104
Total industrial production other than MLH 104
116
114
112
110
108
106
104
102
100
98
96
94

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3,4]	Orders received
		1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	1975 =100	1975 =100
1969		..	..	..	..	..	..	..	117·4	133·7
1970		..	..	..	..	..	..	..	115·2	131·1
1971		..	..	..	..	..	..	..	116·2	139·2
1972		..	..	..	..	..	..	..	117·4	146·3
1973		99	113	116	120	121	100	105	118·1	141·4
1974		102	114	103	115	102	112	106	106·0	101·1
1975		100	88	84	87	83	90	84	100·0	100·0
1976		97	81	92	74	87	94	104	98·5	105·5
1977		97	82	98	75	93	98	108	98·1	94·6
1978		99	87	102	82	100	97	105	104·6	98·7
1979		100	89†	102	85	100	97†	106†	101·5	88·8
1975	*3*	98	95	81	94	80	96	84	99·6	108·8
	4	97	88	79	87	78	90	80	99·3	101·6
1976	*1*	96	84	84	83	83	85	89	100·9	113·2
	2	98	80	88	79	87	82	91	97·6	114·2
	3	96	80	97	77	90	87	113	96·2	98·6
	4	97	81	99	74	89	94	123	99·4	95·9
1977	*1*	98	81	99	74	95	96	107	97·2	92·4
	2	96	81	96	73	90	98	112	96·7	93·4
	3	97	81	96	73	92	96	105	98·4	94·8
	4	96	82	100	75	96	98	109	100·2	97·8
1978	*1*	98	82	100	75	97	97	106	102·5	102·2
	2	97	83	98	76	96	96	102	107·0	96·1
	3	100	84	104	77	100	98	113	105·6	101·7
	4	99	87	106	82	108	97	100	103·5	94·7
1979	*1*	97	88	99	82	95	100	109	97·3	87·3
	2	105	88	106	83	104	99	111	102·0	94·3
	3	98	90	101	85	101	99	102	103·7	88·3
	4	102	89†	101	85†	99	97†	105	103·0	85·3
1980[5]	*1*	102	88	100	84	97	96	105†	102·0	81·3
	2	98†	86	94	83	91†	94	100	98·9	77·1†
	3	96	81	84	78	81	89	89	92·6[5]	73·9
	4									
1979	*J*	85	89	97	83	96	99	100	..	83·5
	F	101	88	100	83	96	99	110	..	95·0
	M	103	88	100	82	93	100	116	..	83·3
	A	102	88	104	82	100	100	114	..	90·6
	M	103	89	105	83	105	99	104	..	98·2
	J	109	88	108	83	106	99	113	..	94·1
	J	101	89	106	85	107	98	104	..	95·3
	A	97	90	102	85	98	99	109	..	88·6
	S	95	90	96	85	96	99	94	..	80·9
	O	98	90	101	86	97	98†	110	..	90·5
	N	106	91	111†	87	108	99	120†	..	84·3
	D	103	89†	91	85†	93	97	84	..	81·2
1980[5]	*J*	101	89	97	84	93†	97	105	..	78·7
	F	102	88	99	84	99	96	100	..	86·8
	M	103†	88	103	84	100	96	111	..	78·3
	A	99	87	92	84	90	95	97	..	80·7†
	M	99	87	93	83	92	94	95	..	72·1
	J	98	86	97	83	93	94	107	..	78·5
	J	95	85	87	82	87	92	88	..	74·2
	A	100	84	91	81	88	91	98	..	70·7
	S	94	81	73	78	69	89	82	..	76·9
	O	92	79	76	75	75	87	77	..	67·0[5]
	N								..	64·5[5]
	D								..	

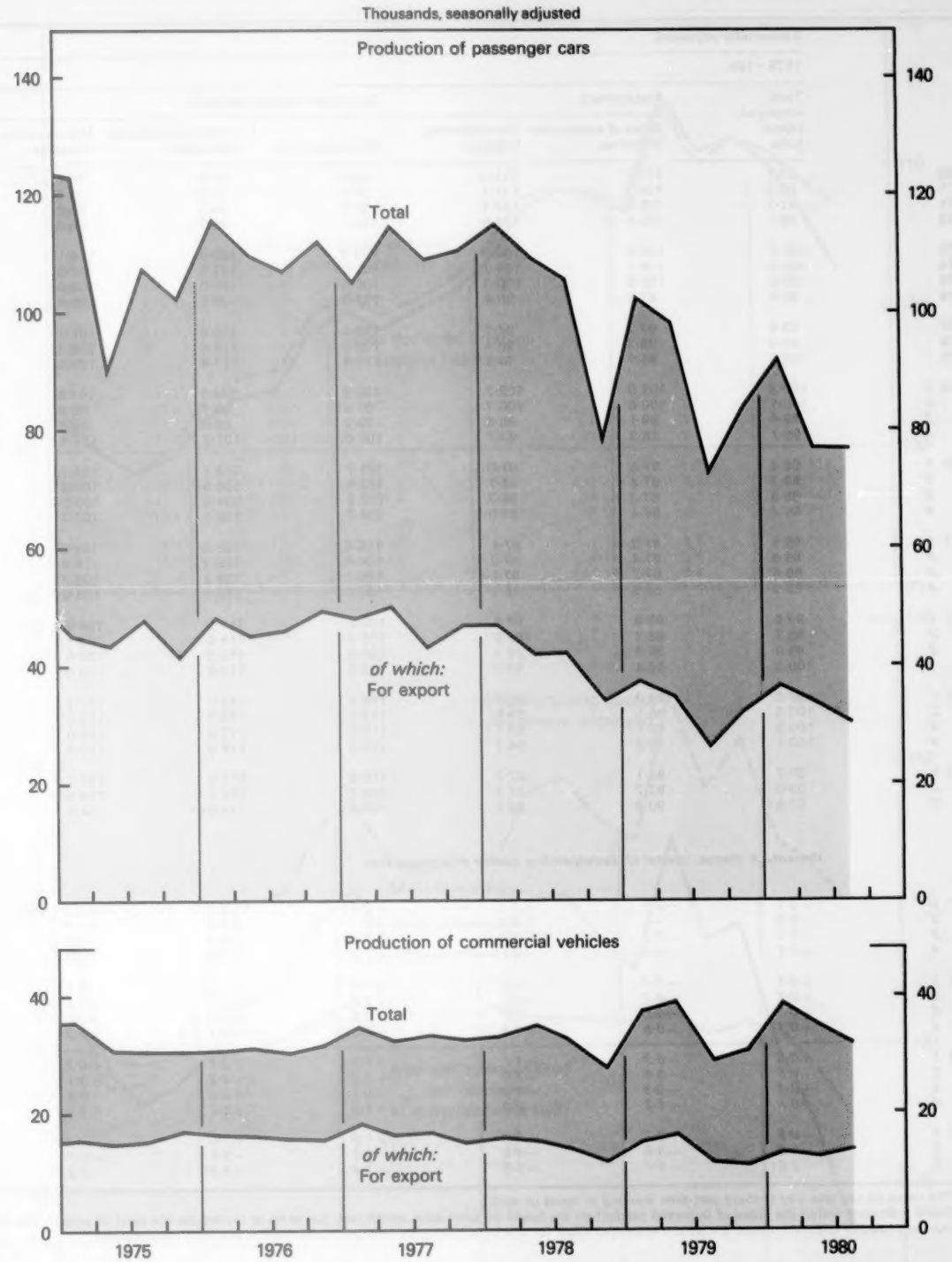
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.


Engineering industries
Volume indices, seasonally adjusted
Net new orders
1975 average monthly sales = 100
Orders on hand
Average 1975 = 100
120
110
100
90
80
70
Construction industry (GB)
Volume indices, seasonally adjusted, 1975 = 100
Output
Contractors' orders
1975
1976
1977
1978
1979
1980

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1969	143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	61·1	34·0	*−10·5*	11·3	25,293	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1978	101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,593
1979	89·2	*−12·5*	32·7	34·0	*+ 6·1*	13·5	21,412	15,322
1976 *1*	116·1	*− 5·8*	48·2	30·6	*−14·2*	16·1	5,480	4,076
2	109·6	*+22·7*	44·9	31·4	*+ 3·1*	16·0	5,731	3,887
3	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3,785
4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977 *1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978 *1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,202
2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,949
3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3,910
4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,522
1979 *1*	102·7	*−10·6*	37·6	37·7	*+13·5*	15·2	4,954	3,662
2	98·1	*−10·4*	34·9	39·0	*+11·4*	16·3	5,720	3,920
3	72·2	*−31·7*	26·0	28·9	*−10·5*	11·7	5,485	3,754
4	83·8	*+ 8·0*	32·4	30·5	*+ 9·9*	11·0	5,252	3,895
1980 *1*	94·0†	*− 8·5†*	36·6†	38·8†	*+ 3·0†*	13·2†	764	..
2	77·0	*−21·4*	33·8	34·7	*−11·1*	12·5	4,098	..
3	76·8	*+ 6·3*	30·1	31·8	*+ 9·9*	13·7	3,498†	..
4								..
1979 *J*	92·8	*−16·7*	34·8	34·7	*+ 3·9*	12·4	1,598[6]	..
F	104·6	*− 6·7*	39·5	37·9	*+23·2*	15·8	1,634	..
M	110·8	*− 8·6*	38·4	40·5	*+14·3*	17·3	1,722	..
A	101·9	*−12·7*	36·4	41·9	*+16·3*	18·7	1,776	..
M	90·8	*−12·6*	32·7	37·0	*+ 6·9*	15·4	2,148[6]	..
J	101·5	*− 5·6*	35·7	38·1	*+10·9*	15·0	1,797	..
J	99·6	*+ 4·1*	34·1	39·6	*+18·1*	14·5	1,804	..
A	56·9	*−50·4*	23·2	22·9	*−26·8*	10·2	1,871[6]	..
S	60·2	*−43·6*	20·5	24·3	*−24·4*	10·3	1,810	..
O	76·5	*− 8·3*	25·4	26·5	*+ 0·9*	10·1	2,098[6]	..
N	84·6	*+54·3*	36·2	32·4	*+32·5*	11·6	1,668	..
D	90·3	*− 4·6*	35·7	32·6	*+ 0·2*	11·3	1,486	..
1980 *J*	99·7	*+ 7·4*	40·9	39·1	*+12·9*	15·3	325[6]	..
F	105·5	*+ 0·9*	39·9	44·0†	*+16·1†*	14·5†	125	..
M	76·8†	*−30·7†*	29·1†	33·3	*−17·7*	10·0	334	..
A	81·0	*−20·5*	34·8	35·0	*−16·4*	12·4	1,164[6]	..
M	66·0	*−27·3*	29·6	31·5	*−14·9*	11·4	1,408	..
J	84·1	*−17·2*	36·9	37·5	*− 1·6*	13·6	1,526	..
J	103·3	*+ 3·7*	41·3	40·9	*+ 3·2*	16·0	1,634[6†]	..
A	65·6	*+15·3*	29·2	27·8	*+21·1*	13·2	1,056	..
S	61·4	*+ 2·1*	19·8	26·8	*+10·3*	11·9	808	..
O	75·9	*− 0·7*	22·8	28·8	*+ 8·8*	15·0	1,069[6,7]	..
N	63·0	*−25·6*	17·1	28·1	*−13·2*	16·4	976[7]	..
D							..	..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.
[7] Provisional.


Thousands, seasonally adjusted
Production of passenger cars
Total
of which:
For export
Production of commercial vehicles
Total
of which:
For export
0
20
40
60
80
100
120
140
1975
1976
1977
1978
1979
1980

Output per person employed

Seasonally adjusted

1975 = 100

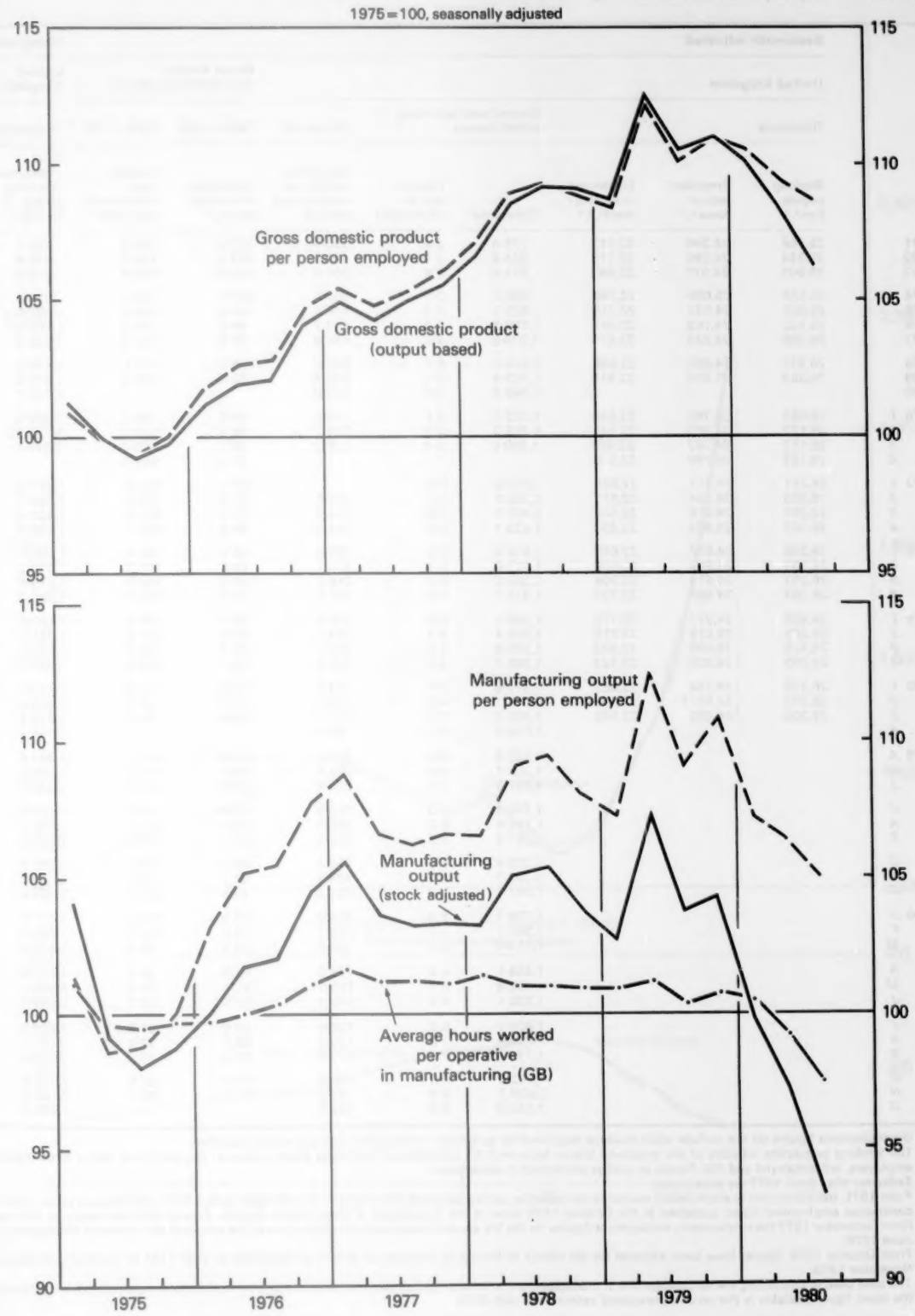
	Employment			Output per person employed[1]		
	Total employed labour force	Index of production industries	Manufacturing industries	Whole economy	Index of production industries[2]	Manufacturing industries[2]
1969	99·7	110·3	111·3	92·5	90·6	88·0
1970	99·3	108·7	111·1	94·5	92·0	88·6
1971	97·7	105·4	107·5	97·4	94·6	90·6
1972	98·1	103·1	104·0	100·1	98·7	95·8
1973	100·2	104·5	104·5	103·6	105·0	104·1
1974	100·6	104·1	104·7	101·4†	101·6	102·6
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·4	97·5	96·9	103·0	105·1	105·4
1977	99·6	97·2	97·1	105·4	109·6	107·1
1978	99·9	96·7	96·4	108·5	114·0	108·3
1979	100·2	95·9	95·1	110·4	117·6	109·9
1975 *1*	100·3	102·0	102·7	100·9	100·8	101·5
2	100·1	100·5	100·7	99·9†	99·1	98·6
3	99·9	99·1	98·9	99·2	99·0	98·8
4	99·7	98·3	97·7	100·0	101·2	101·1
1976 *1*	99·4	97·8	97·0	101·7	103·1	103·1
2	99·3	97·4	96·7	102·6	104·5	105·2
3	99·3	97·3	96·7	102·8	104·5	105·5
4	99·4	97·4	97·0	104·7	108·1	107·7
1977 *1*	99·5	97·3	97·1	105·4	109·9	108·8
2	99·6	97·4	97·2	104·8	109·2	106·6
3	99·6	97·2	97·1	105·3	109·2	106·2
4	99·5	96·9	96·9	106·0	110·1	106·6
1978 *1*	99·6	96·9	96·8	107·1	111·2	106·5
2	99·7	96·7	96·5	108·9	114·9	109·1
3	99·9	96·6	96·3	109·3	115·3	109·5
4	100·2	96·4	96·0	108·8	114·6	108·0
1979 *1*	100·2	96·2	95·7	108·4	114·7	107·2
2	100·3	96·1	95·5	112·2	119·7	112·5
3	100·3	96·1	95·1	110·1	117·6	109·0
4	100·1	95·2	94·1	110·9	118·3	110·8
1980 *1*	99·7	94·1	92·9	110·5	116·5	107·2
2	99·0	92·7	91·2	109·4	115·2	106·5†
3	97·8†	90·6	88·6	108·6	113·0†	104·9

Percentage change, quarter on corresponding quarter of previous year

1977 *1*	*+0·1*	*−0·5*	*+0·1*	*+3·6†*	*+6·6*	*+5·5*
2	*+0·3*	*—*	*+0·5*	*+2·1*	*+4·5*	*+1·3*
3	*+0·3*	*−0·1*	*+0·4*	*+2·4*	*+4·5*	*+0·7*
4	*+0·1*	*−0·5*	*−0·1*	*+1·2*	*+1·9*	*−1·0*
1978 *1*	*+0·1*	*−0·4*	*−0·3*	*+1·6*	*+1·2*	*−2·1*
2	*+0·1*	*−0·7*	*−0·7*	*+3·9*	*+5·2*	*+2·3*
3	*+0·3*	*−0·6*	*−0·8*	*+3·8*	*+5·6*	*+3·1*
4	*+0·7*	*−0·5*	*−0·9*	*+2·6*	*+4·1*	*+1·3*
1979 *1*	*+0·6*	*−0·7*	*−1·1*	*+1·2*	*+3·1*	*+0·7*
2	*+0·6*	*−0·6*	*−1·0*	*+3·0*	*+4·2*	*+3·1*
3	*+0·4*	*−0·5*	*−1·2*	*+0·7*	*+2·0*	*−0·5*
4	*−0·1*	*−1·2*	*−2·0*	*+1·9*	*+3·2*	*+2·6*
1980 *1*	*−0·5*	*−2·2*	*−2·9*	*+1·9*	*+1·6*	*—*
2	*−1·3*	*−3·5*	*−4·5*	*−2·5*	*−3·8*	*−5·3†*
3	*−2·5†*	*−5·7*	*−6·8*	*−1·4*	*−3·9†*	*−3·8*

[1] The ratios do not take into account part-time working or hours of work.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers used to calculate output per person employed allow for this by adjusting for changes in the level of stocks in these sectors.


1975=100, seasonally adjusted
115
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
Manufacturing output
per person employed
Manufacturing
output
(stock adjusted)
Average hours worked
per operative
in manufacturing (GB)
90
1975
1976
1977
1978
1979
1980

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
	Working population[2,3]	Employed labour force[2,3]	Employees in employment[2,3,4]	Thousands[6]	Percentage of employees[6]	Vacancies notified to employment offices§	Employees in employment[2,4]	Average hours worked per operative[3]	Total unemployed including school leavers[5]
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	*3·7*	147·3	103·9	102·1	875·6
1973	25,601	24,971	22,663	611·0	*2·6*	307·0	104·5	103·9	618·8
1974	25,654	25,059	22,789	599·7	*2·6*	301·6	104·7	101·1	614·9
1975	25,852	24,932	22,710	929·1	*3·9*	148·1	100·0	100·0	977·6
1976	26,132	24,763	22,541	1,269·3	*5·3*	119·7	96·8	100·3	1,358·8
1977	26,305	24,824	22,611	1,376·8	*5·7*	155·9	97·2	101·3	1,483·6
1978	26,333	24,860	22,656	1,376·2	*5·7*	210·5	96·5	101·1	1,475·0
1979	26,383	25,015	22,815	1,303·4	*5·4*	241·4	95·1	100·8	1,390·5
1980				1,645·8	*6·8*	143·0			1,794·7
1976 *1*	26,053	24,762	22,539	1,222·7	*5·1*	114·0	96·9	99·7	1,297·5
2	26,132	24,763	22,541	1,269·3	*5·3*	115·7	96·6	100·0	1,294·9
3	26,152	24,762	22,538	1,290·6	*5·4*	126·2	96·7	100·4	1,473·7
4	26,189	24,799	22,579	..	..	..	97·0	101·1	..
1977 *1*	26,211	24,811	22,595	1,331·5	*5·5*	..	97·1	101·6	1,417·8
2	26,305	24,824	22,611	1,352·5	*5·6*	153·0	97·3	101·2	1,394·7
3	26,351	24,816	22,602	1,400·1	*5·8*	154·7	97·2	101·2	1,622·4
4	26,307	24,802	22,592	1,423·1	*5·9*	164·3	96·9	101·1	1,499·4
1978 *1*	26,330	24,847	22,640	1,415·3	*5·9*	185·9	96·9	101·4	1,506·1
2	26,333	24,860	22,656	1,389·6	*5·7*	204·1	96·6	101·0	1,428·2
3	26,353	24,914	22,708	1,365 2	*5·6*	216·7	96·3	101·0	1,570·6
4	26,389	24,995	22,792	1,334·7	*5·5*	235·4	96·0	100·9	1,395·3
1979 *1*	26,405	24,977	22,776	1,355·7	*5·6*	232·4	95·8	100·9	1,436·5
2	26,383	25,015	22,815	1,304·4	*5·4*	252·3	95·6	101·2	1,327·9
3	26,325	25,008	22,803	1,266·8	*5·2*	249·1	95·2	100·4	1,438·0
4	26,296	24,929	22,724	1,286·7	*5·3*	231·8	94·1	100·8	1,359·4
1980 *1*	26,278	24,794	22,587	1,377·8	*5·7*	193·0	93·0	100·5	1,479·2
2	26,269	24,607†	22,398†	1,492·3	*6·2*	159·4	91·3	99·2	1,563·9
3	26,205	24,263	22,045	1,695·2	*7·0*	119·7	88·5	97·5	1,979·1
4				2,018·0	*8·3*	99·9			2,156·7
1979 *A*	..	..	..	1,325·3	*5·5*	243·6	95·6	101·4	1,340·6
M	..	..	..	1,306·1	*5·4*	254·6	95·6	101·1	1,299·3
J	..	..	..	1,281·8	*5·3*	258·8	95·5	101·2	1,343·9
J	..	..	..	1,276·4	*5·3*	252·9	95·4	101·1	1,464·0
A	..	..	..	1,262·0	*5·2*	248·6	95·4	100·1	1,455·5
S	..	..	..	1,261·9	*5·2*	245·9	94·8	100·0	1,394·5
O	..	..	..	1,278·8	*5·3*	238·4	94·4	100·4	1,367·6
N	..	..	..	1,283·7	*5·3*	234·6	94·1	101·0	1,355·2
D	..	..	..	1,297·7	*5·4*	222·3	93·8	101·0	1,355·5
1980 *J*	..	..	..	1,336·7	*5·5*	206·9	93·5	101·0	1,470·6
F	..	..	..	1,383·1	*5·7*	191·4	93·0	100·7	1,488·9
M	..	..	..	1,413·5	*5·9*	180·8	92·5	99·8	1,478·0
A	..	..	..	1,458·1	*6·0*	168·5	91·9	99·3	1,522·9
M	..	..	..	1,483·8	*6·1*	163·0	91·3	99·3	1,509·2
J	..	..	..	1,535·1	*6·4*	146·7	90·6	99·1	1,659·7
J	..	..	..	1,605·7	*6·6*	126·0	89·5	97·9	1,896·6
A	..	..	..	1,695·4	*7·0*	120·4	88·5	97·5	2,001·2
S	..	..	..	1,784·4	*7·4*	112·8	87·5	97·2	2,039·5
O	..	..	..	1,892·6	*7·8*	100·4	86·4	95·6	2,062·9
N	..	..	..	2,028·2	*8·4*	97·2	85·3	95·2	2,162·9
D	..	..	..	2,133·3	*8·8*	102·0			2,244·2

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

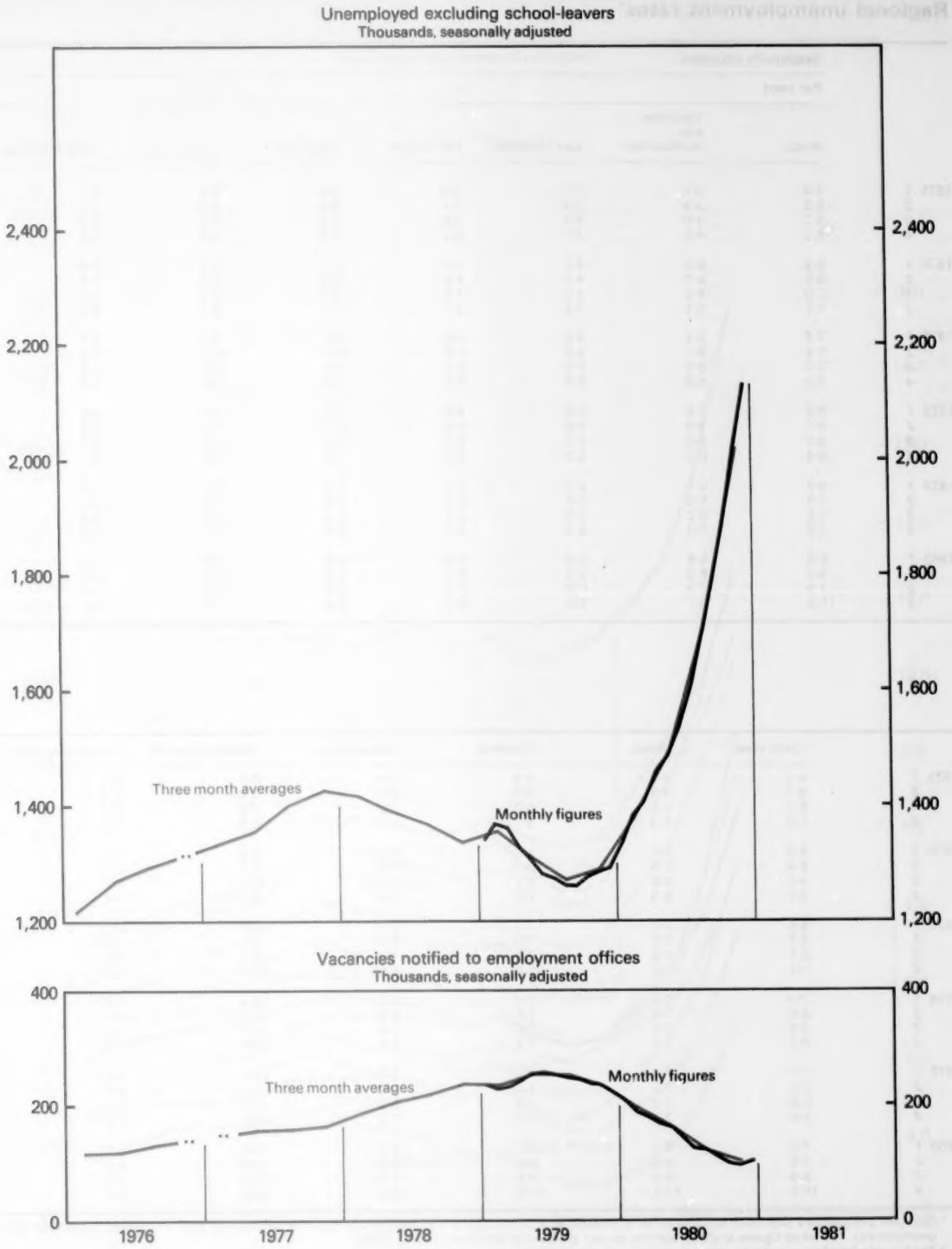
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

[3] Estimates after June 1977 are provisional.

[4] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From September 1977 the employees in employment figures for the UK are provisional until the publication of the results of the Census of Employment for June 1978.

[5] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

[6] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is the revised provisional estimate for mid-1979.


Unemployed excluding school-leavers
Thousands, seasonally adjusted
2,400
2,200
2,000
1,800
1,600
1,400
1,200
Three month averages
Monthly figures
Vacancies notified to employment offices
Thousands, seasonally adjusted
400
200
0
Three month averages
Monthly figures
1976
1977
1978
1979
1980
1981

Regional unemployment rates[1]

Seasonally adjusted

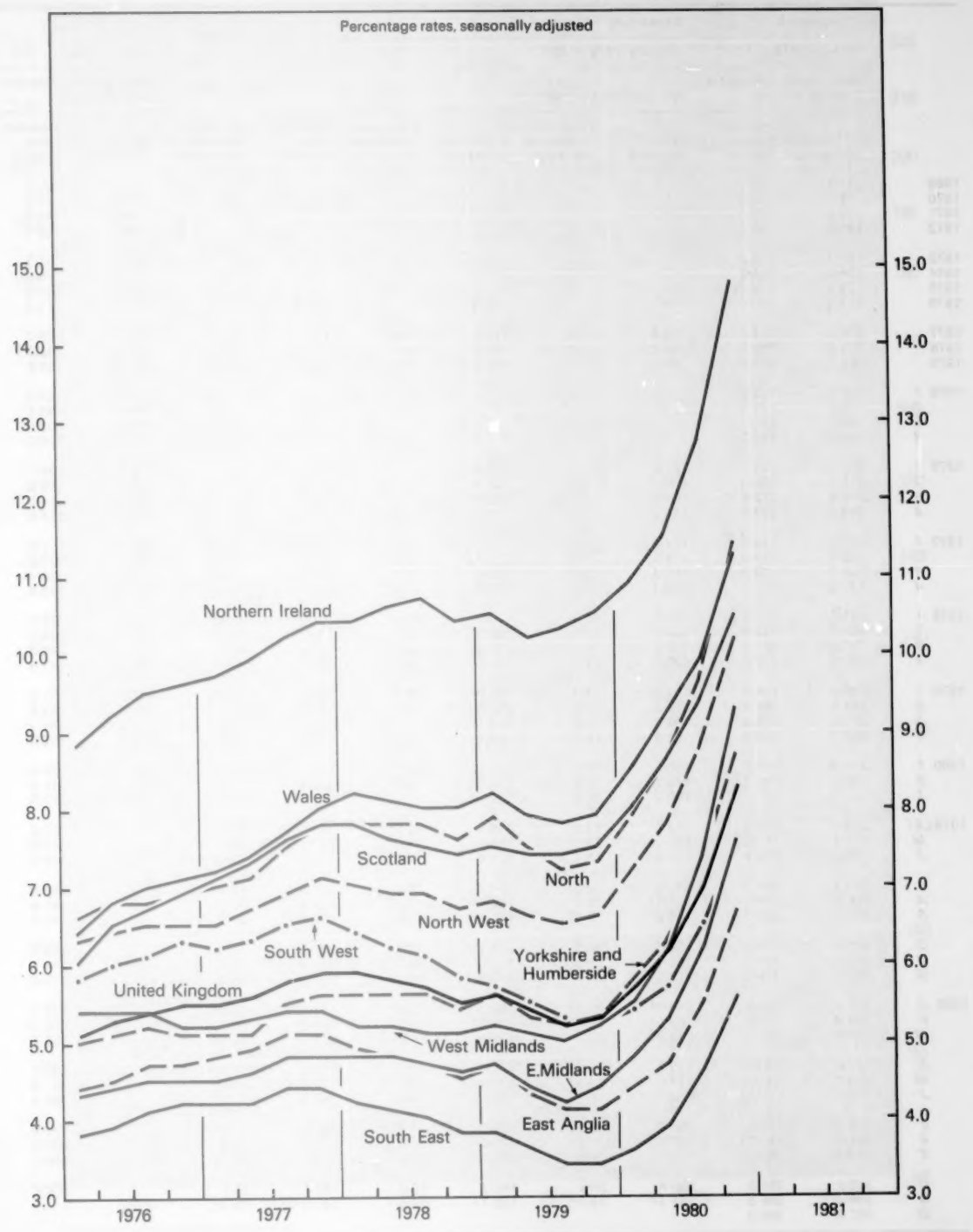
Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0	4·3	4·4	3·8	5·8	5·4
2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	7·1	5·1	4·5	4·7	4·2	6·3	5·2
1977 *1*	7·2	5·1	4·5	4·8	4·2	6·2	5·2
2	7·4	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·5	4·8	5·1	4·4	6·5	5·4
4	8·0	5·6	4·8	5·1	4·4	6·6	5·4
1978 *1*	8·2	5·6	4·8	4·9	4·2	6·4	5·2
2	8·1	5·6	4·8	4·8	4·1	6·2	5·2
3	8·0	5·6	4·7	4·7	4·0	6·1	5·1
4	8·0	5·4	4·6	4·5	3·8	5·8	5·1
1979 *1*	8·2	5·6	4·7	4·7	3·8	5·7	5·2
2	7·9	5·3	4·4	4·3	3·6	5·5	5·1
3	7·8	5·2	4·2	4·1	3·4	5·3	5·0
4	7·9	5·3	4·4	4·1	3·4	5·2	5·2
1980 *1*	8·5	5·8	4·8	4·4	3·6	5·4	5·5
2	9·2	6·3	5·3	4·7	3·9	5·7	6·2
3	9·9	7·3	6·2	5·5	4·6	6·5	7·4
4	11·3	8·7	7·6	6·7	5·6	7·6	9·3

	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	6·5	6·9	6·9	5·4	9·6	5·5
1977 *1*	6·5	7·0	7·1	5·4	9·7	5·5
2	6·7	7·1	7·3	5·5	9·9	5·6
3	6·9	7·5	7·6	5·7	10·2	5·8
4	7·1	7·8	7·8	5·8	10·4	5·9
1978 *1*	7·0	7·8	7·8	5·8	10·4	5·9
2	6·9	7·8	7·6	5·6	10·6	5·8
3	6·9	7·8	7·5	5·5	10·7	5·7
4	6·7	7·6	7·4	5·4	10·4	5·5
1979 *1*	6·8	7·9	7·5	5·5	10·5	5·6
2	6·6	7·5	7·4	5·3	10·2	5·4
3	6·5	7·2	7·4	5·1	10·3	5·2
4	6·6	7·3	7·5	5·2	10·5	5·3
1980 *1*	7·2	7·9	8·0	5·6	10·9	5·7
2	7·8	8·6	8·6	6·0	11·5	6·2
3	8·8	9·7	9·4	6·9	12·7	7·0
4	10·2	11·4	10·5	8·2	14·8	8·3

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figures available are the revised provisional estimates for mid-1979.

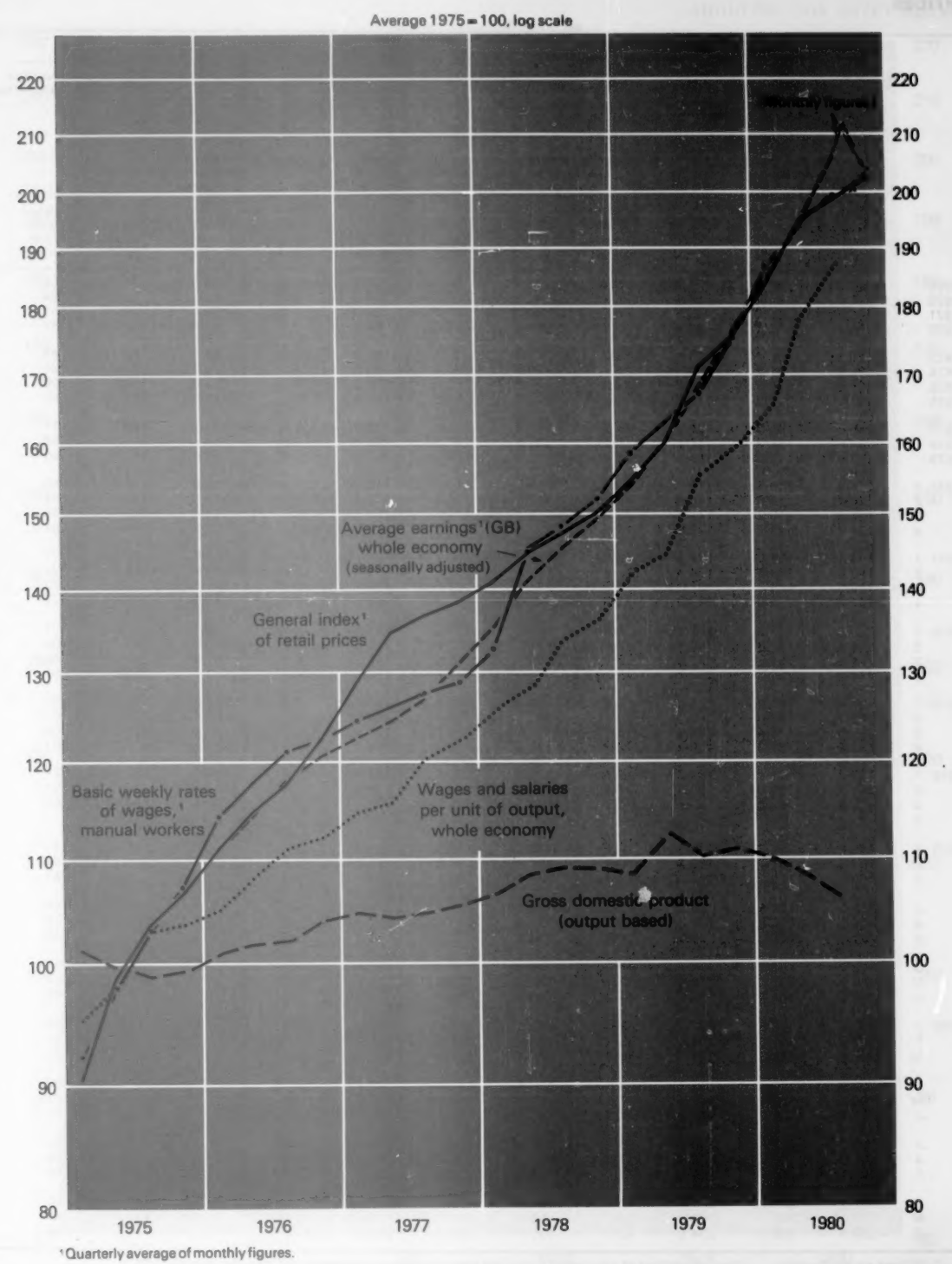
[2] The boundaries of the standard regions were revised in April 1974.


Percentage rates, seasonally adjusted
15.0
14.0
13.0
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
1976
1977
1978
1979
1980
1981
Northern Ireland
Wales
Scotland
North
North West
South West
Yorkshire and Humberside
United Kingdom
West Midlands
E.Midlands
East Anglia
South East

Wage rates and earnings

	Unadjusted		Seasonally adjusted							
	31 July 1972 = 100[1]		January 1976 = 100						1975 = 100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	Whole economy	*Percentage increase on year earlier*	Production industries	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1969	71·7	72·1	..	..	..	..	..	..	45·7	46·1
1970	78·8	79·4	..	..	..	..	..	..	50·0	51·8
1971	89·0	89·3	..	..	..	..	..	..	54·5	56·6
1972	101·3	101·5	..	..	..	..	..	..	59·3	59·1
1973	115·2	114·6	..	..	..	..	..	..	63·1	62·3
1974	138·0	134·3	..	..	..	..	..	..	78·2	76·9
1975	178·7	174·4	..	..	..	..	..	..	100·0	100·0
1976	213·2	209·0	106·1	..	106·3	..	106·2	..	109·2†	111·8
1977	227·3	218·9	115·6	*9·0*	117·2	*10·3*	117·1	*10·2*	118·5	122·7
1978	259·3	258·8	130·6	*13·0*	134·3	*14·6*	134·0	*14·5*	131·4	139·2
1979	298·1	297·5	150·9	*15·5*	155·0	*15·4*	154·9	*15·6*	149·8	158·9
1975 *1*	162·7	155·1	..	..	..	..	..	..	95·2	92·0
2	175·3	171·9	..	..	..	..	..	..	98·2	98·5
3	184·3	180·5	..	..	..	..	..	..	103·0	103·4
4	192·6	190·1	..	..	..	..	..	..	103·6	106·0
1976 *1*	204·2	201·5	101·5	..	101·6	..	101·3	..	105·0	108·7
2	211·5	209·0	104·7	..	104·4	..	104·5	..	108·3	109·6
3	217·8	212·5	107·8	..	108·3	..	108·4	..	111·2†	114·0
4	219·3	213·1	110·2	..	110·7	..	110·7	..	112·2	115·0
1977 *1*	223·3	215·7	112·3	*10·6*	113·7	*11·9*	113·3	*11·9*	114·7	117·0
2	225·9	217·9	114·0	*8·8*	115·1	*10·3*	114·9	*9·9*	115·8	120·8
3	228·7	220·2	116·3	*7·8*	117·7	*8·7*	117·7	*7·0*	120·8	124·2
4	231·2	221·7	119·9	*8·9*	122·2	*10·4*	122·4	*10·6*	122·8	128·9
1978 *1*	237·8	226·1	123·8	*10·2*	126·4	*11·2*	126·7	*11·8*	126·3	132·4
2	260·6	263·9	129·3	*13·5*	133·0	*15·5*	132·5	*15·4*	128·7	136·7
3	265·8	267·9	133·0	*14·4*	136·8	*16·2*	136·2	*15·7*	134·0	140·3
4	273·0	277·5	136·4	*13·7*	141·0	*15·3*	140·6	*14·9*	136·4	147·4
1979 *1*	284·9	284·5	141·0	*13·9*	145·0	*14·7*	145·3	*14·7*	142·2	151·2
2	292·2	291·3	146·8	*13·5*	152·3	*14·5*	152·9	*15·4*	145·1	153·6
3	299·9	296·4	153·9	*15·8*	156·1	*14·1*	155·2	*13·9*	156·0	161·7
4	315·3	318·0	161·8	*18·6*	166·4	*18·1*	166·2	*18·2*	159·9	169·0
1980 *1*	334·9	336·5	168·7	*19·7*	172·1	*18·7*	170·3	*17·2*	165·3	178·6†
2	348·0	345·3	178·2	*21·4*	181·0	*18·8*	180·1	*17·8*	178·1	191·5
3			188·2	*22·2*	189·6	*21·5*	188·4	*21·4*	188·1	202·0
1979 *A*	289·2	288·6	144·6	*13·5*	149·2	*13·5*	149·1	*13·2*	..	151·4
M	291·2	291·2	146·0	*13·5*	151·1	*14·0*	152·1	*15·5*	..	153·5
J	296·2	294·0	149·8	*13·4*	156·6	*16·0*	157·4	*17·4*	..	155·9
J	298·7	294·6	153·8	*16·5*	156·8	*15·8*	157·2	*16·4*	..	158·8
A	300·2	296·7	154·1[2]	*16·5*[2]	155·9[2]	*14·3*[2]	154·2[2]	*13·5*[2]	..	161·4
S	300·8	297·7	153·9[2]	*14·4*[2]	155·4[2]	*12·2*[2]	154·1[2]	*11·8*[2]	..	165·0
O	303·1	298·4	158·7	*16·9*	163·2	*16·4*	162·9	*16·4*	..	166·8
N	319·4	327·3	162·1	*19·2*	166·3	*18·5*	166·2	*18·9*	..	169·7
D	323·4	328·5	164·5	*19·7*	169·8	*19·2*	169·5	*19·3*	..	170·6
1980 *J*	332·9	335·5	164·2[3]	*20·2*[3]	168·2[3]	*19·6*[3]	167·1[3]	*18·9*[3]	..	173·9
F	335·0	336·6	169·0[3]	*18·6*[3]	171·2[3]	*18·3*[3]	169·7[3]	*16·7*[3]	..	178·5†
M	336·9	337·4	172·9[3]	*20·3*[3]	176·8[3]	*18·2*[3]	174·1[3]	*16·1*[3]	..	183·4
A	342·0	340·6	175·3	*21·3*	178·0	*19·3*	176·2	*18·2*	..	187·7
M	347·0	346·7	177·0	*21·3*	179·4	*18·7*	178·8	*17·6*	..	191·4
J	355·3	348·6	182·3	*21·7*	185·5	*18·4*	185·3	*17·7*	..	195·4
J	356·5	349·1	182·8	*18·9*	188·0	*19·9*	187·0	*18·9*	..	199·5
A	357·0†	350·0†	187·6	*21·7*	189·6	*21·6*	188·7	*22·4*	..	202·3
S	357·8	350·7	194·1	*26·1*	191·2	*23·0*	189·6	*23·1*	..	204·1
O	358·5	351·0	190·6	*20·1*	190·7	*16·8*	189·1	*16·1*	..	204·7
N	366·4	366·3	192·5[4]	*18·7*[4]	192·7[4]	*15·9*[4]	191·2[4]	*15·1*[4]	..	
D	366·4	366·3							..	

[1] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.
[2] These figures are affected by the industrial dispute in the engineering industries.
[3] Owing to the dispute in the steel industry insufficient information is available to enable a reliable index for 'metal manufacture' to be calculated for this month but the best possible estimate has been used in the compilation of the indices for 'all manufacturing' and 'all industries and services covered'.
[4] Provisional.

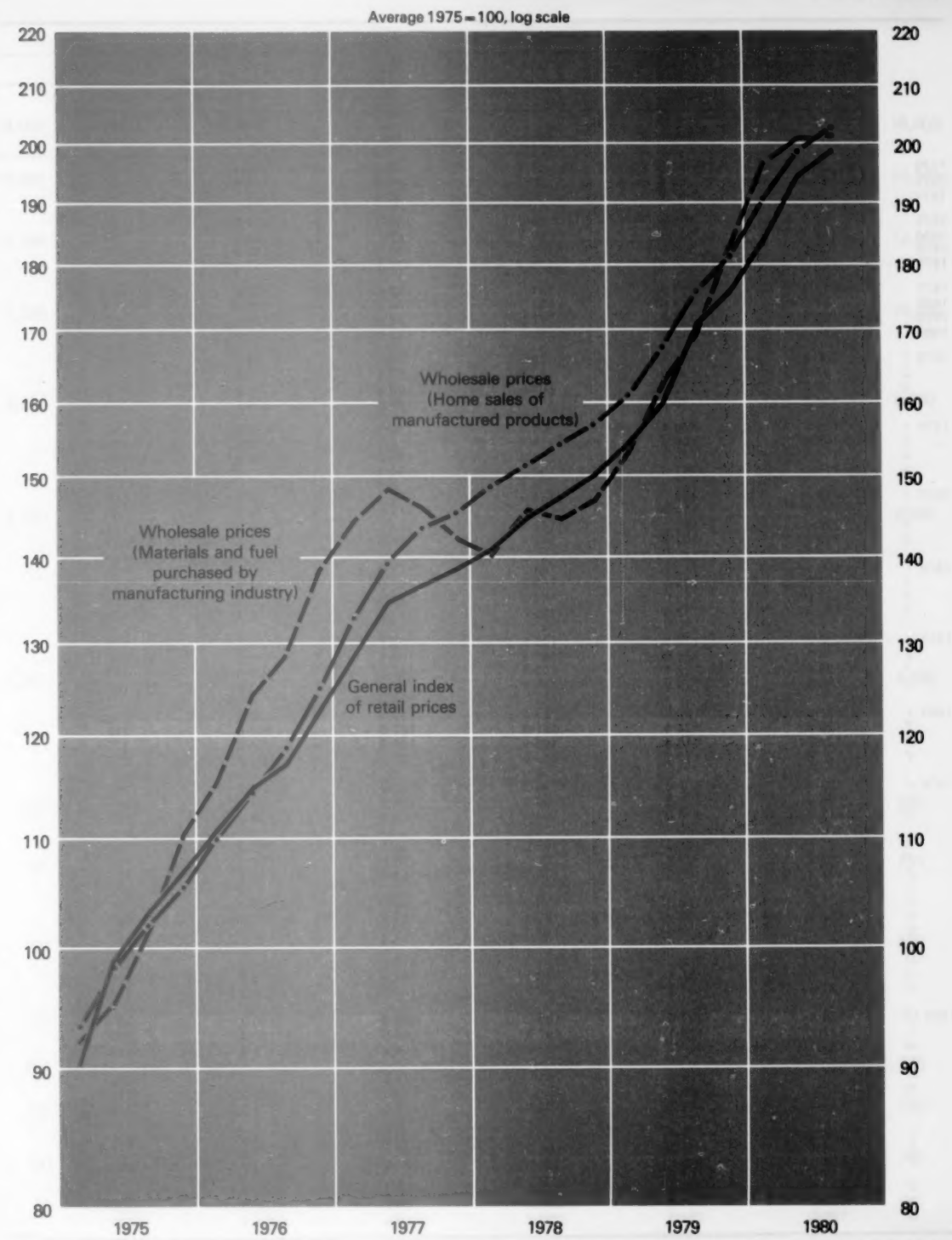


[1] Quarterly average of monthly figures.

Prices

	Unadjusted										Average 1975 =100p
	Average 1975 =100										
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979	167·6	172·0	165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	153·4	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
2	163·3	168·0	160·7	*10·6*	169·9	158·3	160·2	*10·4*	163·4	162·9	62
3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
4	183·9	181·8	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1980 *1*	197·2	191·4	184·6	*19·1*	185·7	184·1	184·8	*19·5*	185·7	184·9	54
2	201·3	199·0	195·3	*21·5*	192·0	196·1	195·8	*22·3*	194·1	193·5	51
3	201·9	203·6	199·4	*16·4*	194·5	200·7	200·4	*16·5*	199·2	197·9	50
4											
1979 *A*	160·6	165·5	158·9	*10·1*	166·2	156·8	158·4	*9·7*	..	..	63
M	162·8	167·7	160·2	*10·3*	168·0	157·9	159·8	*10·1*	..	..	62
J	166·6	170·9	162·9	*11·4*	172·5	160·2	162·4	*11·3*	..	..	61
J	168·1	174·8	170·0	*15·6*	173·4	169·0	170·3	*15·8*	..	..	59
A	169·1	176·3	171·3	*15·8*	173·9	170·4	171·8	*15·8*	..	..	58
S	172·5	178·2	173·0	*16·5*	174·5	172·5	173·6	*16·5*	..	..	58
O	178·1	180·3	174·8	*17·2*	176·1	174·4	175·4	*17·1*	..	..	57
N	186·0	181·6	176·3	*17·4*	177·8	175·9	176·9	*17·2*	..	..	57
D	187·5	183·4	177·6	*17·2*	180·0	176·9	178·0	*17·3*	..	..	56
1980 *J*	193·5	188·5	182·0	*18·4*	183·6	181·4	182·2	*18·8*	..	..	55
F	197·6	191·5	184·6	*19·1*	185·1	184·3	184·9	*19·5*	..	..	54
M	200·4	194·3	187·1	*19·8*	188·4	186·6	187·4	*20·2*	..	..	53
A	202·3	197·0	193·5	*21·8*	190·6	194·2	193·9	*22·4*	..	..	52
M	200·4	199·0	195·3	*21·9*	191·8	196·1	195·9	*22·6*	..	..	51
J	201·1	201·0	197·1	*21·0*	193·5	198·0	197·7	*21·7*	..	..	51
J	201·7	202·7	198·7	*16·9*	195·0	199·6	199·3	*17·0*	..	..	50
A	201·8	203·5	199·2	*16·3*	194·3	200·4	200·2	*16·5*	..	..	50
S	202·1	204·6	200·4	*15·9*	194·3	202·0	201·6	*16·1*	..	..	50
O	201·4†	205·3†	201·7	*15·4*	194·5	203·5	202·9	*15·7*	..	..	50
N	203·3[5]	206·1[5]	203·3	*15·3*	196·0	205·5	204·5	*15·7*	..	..	49
D	205·7[5]	206·6[5]	204·5	*15·1*	197·1	206·4	205·5	*15·4*	..	..	49

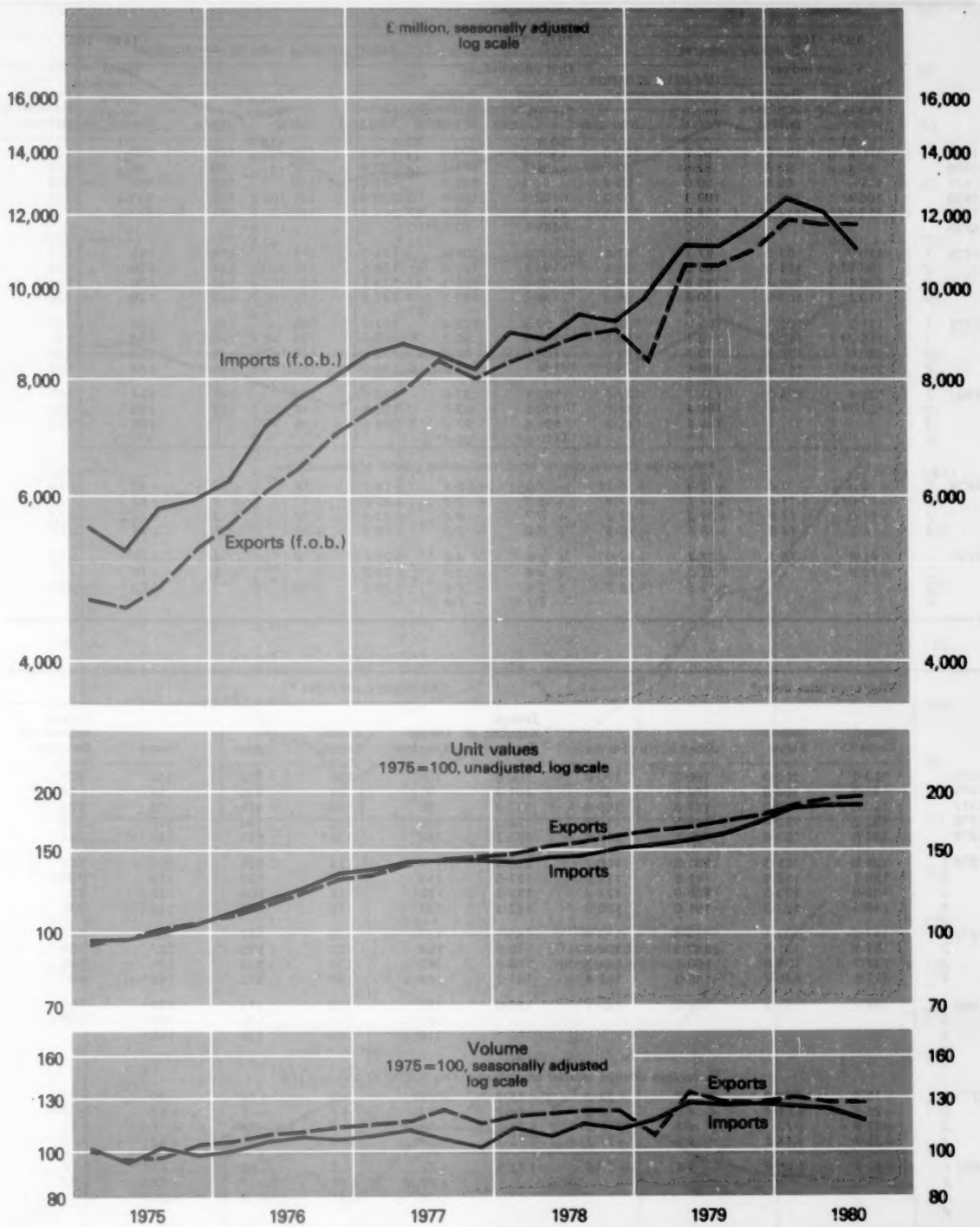
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975 = 100, log scale
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
Wholesale prices
(Home sales of
manufactured products)
Wholesale prices
(Materials and fuel
purchased by
manufacturing industry)
General index
of retail prices
1975
1976
1977
1978
1979
1980

Visible trade

	Seasonally adjusted		Unadjusted			
	1975 =100		1975 =100			1975 =100
	Volume indices[1]		Unit value indices[1]			World commodity prices index[3]
	Exports	Imports	Exports	Imports	Terms of trade[2]	
1970	81·1	81·8	50·8	42·8	118·8	31
1971	85·9	85·5	53·7	44·8	119·8	33
1972	85·6	95·2	56·8	46·9	121·1	36
1973	97·2	108·4	64·0	60·0	106·8	54
1974	104·2	109·5	81·6	87·7	93·1	99
1975	100·0	100·0	100·0	100·0	100·0	100
1976	109·9	105·9	119·6	122·1	97·9	130
1977	118·4	107·9	141·5	141·5	100·0	149
1978	121·5	112·6	155·1	147·2	105·4	138
1979	125·9	125·7	171·9	162·6	105·7	162
1980	128·3	119·3 .	193·0	187·0	103·2	
1975 *1*	100·9	102·1	95·2	96·5	98·7	94
2	97·1	95·7	97·5	97·1	100·4	94
3	98·0	102·4	101·6	100·8	100·8	102
4	104·0	99·8	105·7	105·6	100·1	110
1976 *1*	106·4	100·4	109·6	110·3	99·3	115
2	109·8	106·6	115·8	119·0	97·3	130
3	110·2	108·8	122·8	125·0	98·2	135
4	113·1	107·6	130·3	134·3	97·0	145
1977 *1*	115·4	109·5	134·9	137·3	98·2	152
2	117·2	111·2	140·6	141·0	99·7	155
3	124·1	107·9	144·3	143·7	100·5	149
4	116·9	102·9	146·4	144·1	101·6	142
1978 *1*	120·1	113·6	149·2	142·3	104·9	136
2	121·0	109·1	153·3	146·9	104·4	143
3	122·5	115·0	157·2	148·5	105·9	138
4	122·5	112·9	160·7	151·2	106·3	138
1979 *1*	109·0	116·9	165·8	155·2	106·8	141
2	135·3	128·9	169·1	159·2	106·2	156
3	129·8	128·1	173·6	162·9	106·5	162
4	129·3	128·9	179·1	173·1	103·5	185
1980 *1*	132·3	126·6	187·3	186·4	100·5	205
2	128·4	124·4	191·9	187·0	102·6	212
3	126·7	115·8	195·8	186·8	104·8	210[4]
4	125·8	110·5	197·0	187·9	104·8	209[5]
1979 *J*	109·6	105·8	163·3	153·0	106·7	141
F	99·8	116·9	166·6	154·6	107·7	143
M	117·7	128·0	167·5	157·9	106·1	142
A	138·7	130·9	168·6	156·9	107·4	150
M	135·2	129·1	168·5	158·9	106·0	154
J	131·9	126·6	170·3	161·8	105·3	161
J	131·6	126·9	173·0	160·3	107·9	161
A	128·6	129·8	173·2	162·6	106·5	162
S	129·3	127·5	174·5	165·8	105·2	167
O	124·7	129·7	177·2	170·1	104·2	174
N	131·8	125·8	179·6	172·9	103·9	190
D	131·3	131·2	180·5	176·4	102·4	192
1980 *J*	129·8	127·5	185·2	184·0	100·7	201
F	137·7	129·1	187·3	186·5	100·4	203
M	129·4	123·1	189·4	188·6	100·4	210
A	126·5	128·2	191·0	187·5	101·9	215
M	129·8	120·7	191·2	187·0	102·2	211
J	128·9	124·2	193·6	186·6	103·6	209
J	128·6	117·1	194·8	186·7	104·3	210
A	126·5	121·2	196·4	186·4	105·4	210[4]
S	125·0	109·1	196·2	187·4	104·7	208[4]
O	123·5	106·3	197·5	188·7	104·7	204[5]
N	129·0	111·1	195·7	186·2	105·1	209[5]†
D	125·0	114·1	197·7	188·9	104·7	213[5]

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional. [5] Projection by the Department of Industry.


£ million, seasonally adjusted
log scale
16,000
14,000
12,000
10,000
8,000
6,000
4,000
Imports (f.o.b.)
Exports (f.o.b.)
Unit values
1975=100, unadjusted, log scale
200
150
100
70
Exports
Imports
Volume
1975=100, seasonally adjusted
log scale
160
130
100
80
Exports
Imports
1975
1976
1977
1978
1979
1980

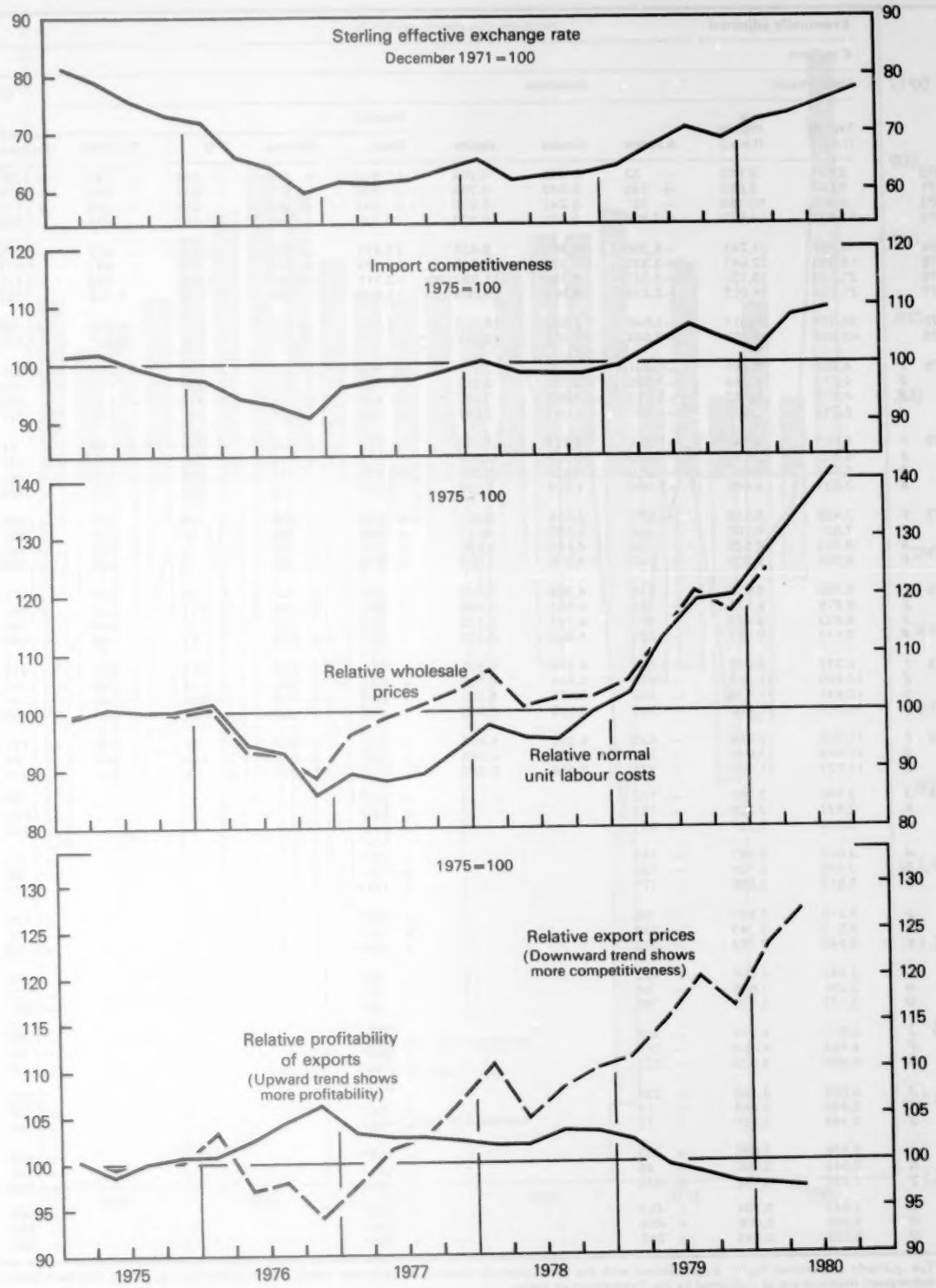
Measures of UK trade competitiveness

1975 = 100

		Summary measures[1]						Export unit value index for manufactures[3]				
		Relative export prices[2]	Relative wholesale prices[2]	IMF index of relative unit labour costs[2]		Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
				Actual	Normalised							
1975		100·0	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976		97·1	93·8	92·6†	93·7†	96·3	101·2	97·4	107	99	98	102
1977		102·1	99·9	90·0	89·8	97·4	102·8	112·0	112	108	105	110
1978		108·4	103·3	97·3	97·8	98·9	102·6	136·6	121	131	121	131
1979		115·8†	114·0	113·3	113·5	103·5	99·6	164·8	140	141	141	147
1980						107·6[4]	97·0[4]					
1978	*1*	110·7	107·2	97·7	97·6	100·6	101·9	131·5	117	118	113	125
	2	104·7	101·0	94·0	95·4	98·5	101·9	128·5	118	134	119	125
	3	108·1	102·4	96·8	98·2	98·4	103·3	139·1	121	142	126	131
	4	110·1	102·5	100·8	99·9	98·2	103·2	147·2	126	143	129	140
1979	*1*	111·2	105·3	103·0	102·7	99·5	102·4	152·7	134	142	134	143
	2	115·2†	112·9	110·1	112·5	103·4	99·7	158·9	139	140	136	140
	3	120·0	120·7	120·3	119·0	107·0	98·8	173·8	141	145	144	148
	4	116·9	117·2	119·8	119·7	104·1	97·8	174·0	145	141	149	155
1980	*1*	123·4	124·5	131·1	127·3	102·1	97·4	188·9	146	147	154	157
	2	127·7[4]		135·4	134·5	108·2	97·1	196·6	149	149	156	155
	3			144·1	141·8	109·6	97·2	209·0	155		163	170
	4					110·5[4]	96·4[4]					
		Percentage change, quarter on corresponding quarter of previous year.										
1979	*1*	*+ 0·5*	*− 1·8*	*+ 5·4*	*+ 5·2†*	*− 1·1*	*+ 0·5*	*+16·1*	*+15*	*+20*	*+19*	*+14*
	2	*+10·0†*	*+11·8*	*+17·1*	*+17·9*	*+ 5·0*	*− 2·2*	*+23·7*	*+17*	*+ 4*	*+14*	*+12*
	3	*+11·0*	*+17·9*	*+24·3*	*+21·2*	*+ 8·7*	*− 4·4*	*+24·9*	*+18*	*+ 2*	*+14*	*+13*
	4	*+ 6·2*	*+14·3*	*+18·8*	*+19·8*	*+ 6·0*	*− 5·2*	*+18·2*	*+15*	*− 1*	*+16*	*+11*
1980	*1*	*+11·0*	*+18·2*	*+27·3*	*+24·0*	*+ 2·6*	*− 4·9*	*+23·7*	*+ 9*	*+ 4*	*+15*	*+10*
	2	*+10·9*		*+23·0*	*+19·6*	*+ 4·6*	*− 2·6*	*+23·7*	*+ 7*	*+ 6*	*+15*	*+11*
	3			*+19·8*	*+19·2*	*+ 2·4*	*− 1·6*	*+20·3*	*+10*		*+13*	*+15*
	4					*+ 6·1*	*− 1·4*					

		Wholesale price index[3]					Unit labour costs index[3]				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976		95·3	104·6	104·9	96·5	101·4	91†	101	100	94	96
1977		110·8	111·2	117·8	100·6	112·8	96	108	115	100	108
1978		132·8	119·4	148·5	119·8	132·2	120	115	144	117	129
1979		164·8	133·8	150·2	140·6	152·2	152	122†	135	132	144
1978	*1*	129·8	115·5	131·5	108·7	126·9	115†	114	129	109	122
	2	125·7	118·3	141·5	115·5	127·5	113	114	137	113	126†
	3	135·0	120·5	159·9	124·9	132·3	122	114	155	122	129
	4	140·9	123·3	161·0	130·0	142·4	132	116	156	125	138
1979	*1*	147·0	127·1	154·8	133·9	146·3	137	120	147	131	143
	2	157·7	131·4	147·8	134·3	145·9	144	122	135	127	136
	3	177·7	135·8	153·0	144·3	154·8	162	123	134	131	145
	4	177·1	140·7	145·0	152·4	161·2	164	126	122	140[4]	150
1980	*1*	194·7	147·3	149·3	160·1	165·0	181	129	117	145[4]	150
	2						197	136	126	148[4]	154
	3						216	140	138	158[4]	
	4										
		Percentage change, quarter on corresponding quarter of previous year.									
1979	*1*	*+13·3*	*+10·0*	*+17·7*	*+23·2*	*+15·3*	*+19†*	*+5*	*+14*	*+20*	*+17*
	2	*+25·5*	*+11·1*	*+ 4·5*	*+16·3*	*+14·4*	*+27*	*+7*	*− 1*	*+12*	*+ 8†*
	3	*+31·6*	*+12·7*	*− 4·3*	*+15·5*	*+17·0*	*+33*	*+8*	*−14*	*+ 7*	*+12*
	4	*+25·7*	*+14·1*	*− 9·9*	*+17·2*	*+13·2*	*+24*	*+9*	*−22*	*+12*	*+ 9*
1980	*1*	*+32·4*	*+15·9*	*− 3·6*	*+19·6*	*+12·8*	*+32*	*+8*	*−20*	*+11*	*+ 5*
	2						*+37*	*+11*	*− 7*	*+17*	*+13*
	3						*+33*	*+14*	*+ 3*	*+21*	
	4										

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980.
[2] Downward movements indicate greater competitiveness.
[3] All the indices are in terms of US dollars.
[4] Provisional.


Sterling effective exchange rate
December 1971 = 100
Import competitiveness
1975 = 100
1975 = 100
Relative wholesale prices
Relative normal unit labour costs
1975 = 100
Relative export prices
(Downward trend shows more competitiveness)
Relative profitability of exports
(Upward trend shows more profitability)
1975
1976
1977
1978
1979
1980

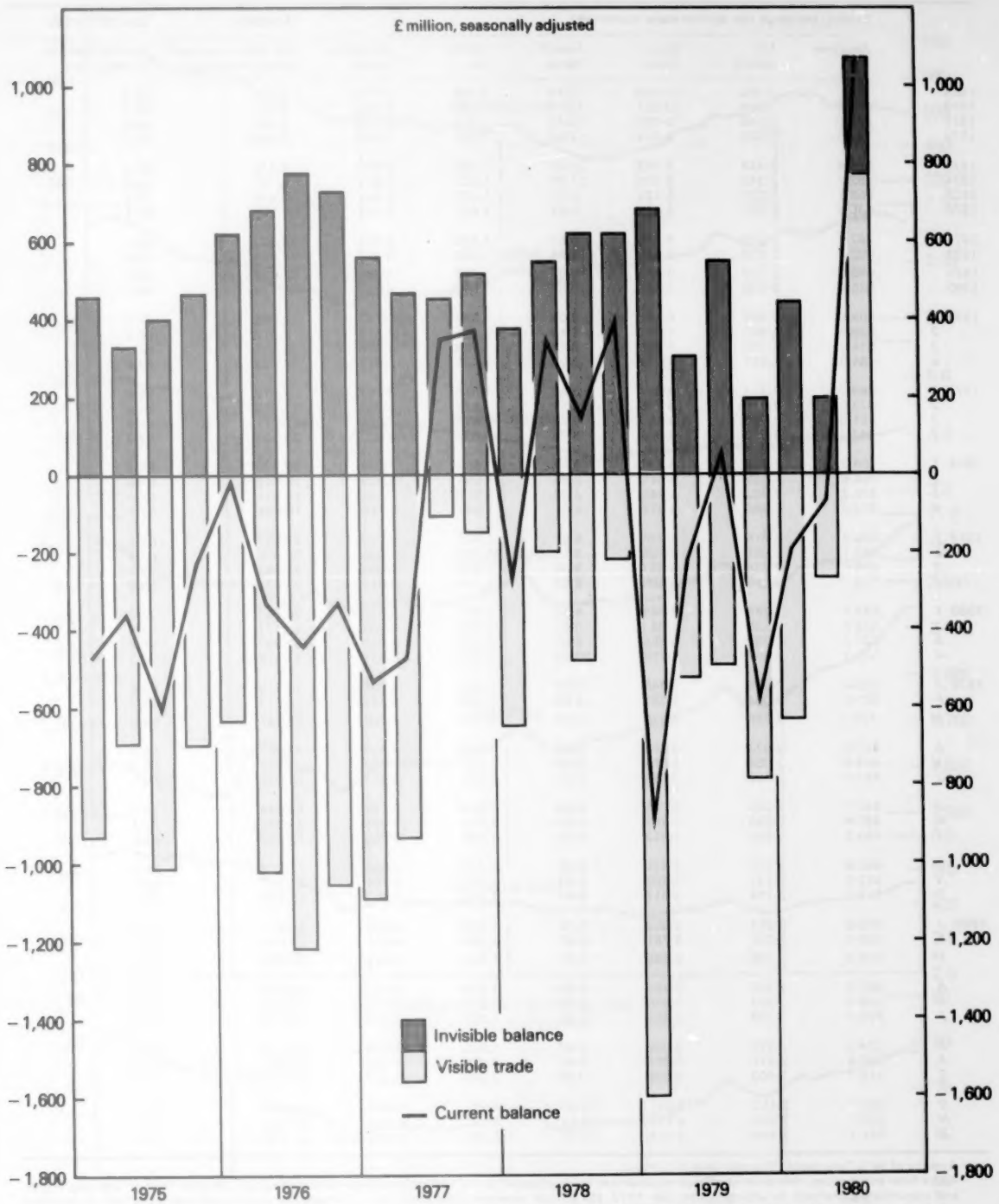
Balance of payments: current account

Seasonally adjusted

£ million

		Visible trade[1]			Invisibles						
							Balance				
		Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1970		8,151	8,183	− 32	5,082	4,269	+ 813	+ 437	+ 554	− 178	+ 781
1971		9,043	8,853	+ 190	5,649	4,763	+ 886	+ 577	+ 502	− 193	+1,076
1972		9,423	10,184	− 761	6,242	5,305	+ 937	+ 643	+ 538	− 244	+ 176
1973		11,937	14,523	−2,586	8,430	6,900	+1,530	+ 697	+1,268	− 435	−1,056
1974		16,395	21,745	−5,350	10,400	8,429	+1,971	+ 960	+1,428	− 417	−3,379
1975		19,330	22,663	−3,333	11,307	9,648	+1,659	+1,365	+ 771	− 477	−1,674
1976		25,193	29,120	−3,927	14,741	11,930	+2,811	+2,264	+1,305	− 758	−1,116
1977		31,734	34,013	−2,279	16,503	14,508	+1,995	+3,061	+ 46	−1,112	− 284
1978		35,071	36,617	−1,546	18,559	16,393	+2,166	+3,486	+ 520	−1,840	+ 620
1979		40,689	44,093	−3,404	22,595	20,861	+1,734	+3,579	+ 482	−2,327	−1,670
1975	*1*	4,660	5,591	− 931	2,773	2,313	+ 460	+ 334	+ 191	− 65	− 471
	2	4,577	5,269	− 692	2,722	2,389	+ 333	+ 333	+ 148	− 148	− 359
	3	4,819	5,832	−1,013	2,809	2,409	+ 400	+ 327	+ 184	− 111	− 613
	4	5,274	5,971	− 697	3,003	2,537	+ 466	+ 371	+ 248	− 153	− 231
1976	*1*	5,608	6,240	− 632	3,327	2,706	+ 621	+ 535	+ 273	− 187	− 11
	2	6,105	7,125	−1,020	3,554	2,871	+ 683	+ 516	+ 335	− 168	− 337
	3	6,447	7,666	−1,219	3,832	3,055	+ 777	+ 614	+ 354	− 191	− 442
	4	7,033	8,089	−1,056	4,028	3,298	+ 730	+ 599	+ 343	− 212	− 326
1977	*1*	7,428	8,518	−1,090	4,014	3,459	+ 555	+ 698	+ 94	− 237	− 535
	2	7,827	8,762	− 935	4,080	3,612	+ 468	+ 783	− 37	− 278	− 467
	3	8,423	8,529	− 106	4,193	3,739	+ 454	+ 785	− 9	− 322	+ 348
	4	8,056	8,204	− 148	4,216	3,698	+ 518	+ 795	− 2	− 275	+ 370
1978	*1*	8,390	9,035	− 645	4,346	3,972	+ 374	+ 843	+ 60	− 529	− 271
	2	8,676	8,875	− 199	4,514	3,964	+ 550	+ 759	+ 207	− 416	+ 351
	3	8,933	9,415	− 482	4,797	4,176	+ 621	+ 946	+ 170	− 495	+ 139
	4	9,072	9,292	− 220	4,902	4,281	+ 621	+ 938	+ 83	− 400	+ 401
1979	*1*	8,373	9,975	−1,602	5,279	4,596	+ 683	+ 868	+ 334	− 519	− 919
	2	10,658	11,183	− 525	5,405	5,102	+ 303	+ 838	+ 4	− 539	− 222
	3	10,641	11,133	− 492	5,875	5,323	+ 552	+ 919	+ 268	− 635	+ 60
	4	11,017	11,802	− 785	6,036	5,840	+ 196	+ 954	− 124	− 634	− 589
1980	*1*	11,935	12,568	− 633	6,337	5,895	+ 442	+1,019	− 39	− 538	− 191
	2	11,803	12,065	− 262	6,253	6,055	+ 198	+ 961	− 119	− 644	− 64
	3	11,827	11,053	+ 774	5,968	5,666	+ 302	+ 934	− 25	− 607	+1,076
1979	*J*	2,740	2,930	− 190	..	..	+ 227[2]†	..	..	..	+ 37†
	F	2,577	3,328	− 751	..	..	+ 228[2]	..	..	..	− 523
	M	3,056	3,717	− 661	..	..	+ 228[2]	..	..	..	− 433
	A	3,609	3,767	− 158	..	..	+ 101[2]	..	..	..	− 57
	M	3,535	3,731	− 196	..	..	+ 101[2]	..	..	..	− 95
	J	3,514	3,685	− 171	..	..	+ 101[2]	..	..	..	− 70
	J	3,575	3,631	− 56	..	..	+ 184[2]	..	..	..	+ 128
	A	3,517	3,743	− 226	..	..	+ 184[2]	..	..	..	− 42
	S	3,549	3,759	− 210	..	..	+ 184[2]	..	..	..	− 26
	O	3,484	3,916	− 432	..	..	+ 66[2]	..	..	..	− 366
	N	3,760	3,848	− 88	..	..	+ 65[2]	..	..	..	− 23
	D	3,773	4,038	− 265	..	..	+ 65[2]	..	..	..	− 200
1980	*J*	3,873	4,178	− 305	..	..	+ 147[2]	..	..	..	− 158
	F	4,163	4,368	− 205	..	..	+ 147[2]	..	..	..	− 58
	M	3,899	4,022	− 123	..	..	+ 148[2]	..	..	..	+ 25
	A	3,869	4,165	− 296	..	..	+ 66[2]	..	..	..	− 230
	M	3,968	3,949	+ 19	..	..	+ 66[2]	..	..	..	+ 85
	J	3,966	3,951	+ 15	..	..	+ 66[2]	..	..	..	+ 81
	J	3,999	3,695	+ 303	..	..	+ 100[2]	..	..	..	+ 403
	A	3,942	3,895	+ 48	..	..	+ 101[2]	..	..	..	+ 149
	S	3,885	3,462	+ 423	..	..	+ 101[2]	..	..	..	+ 524
	O	3,843	3,384	+ 459	..	..	+ 100[3]	..	..	..	+ 559
	N	3,960	3,505	+ 455	..	..	+ 100[3]	..	..	..	+ 555
	D	3,929	3,683	+ 246	..	..	+ 100[3]	..	..	..	+ 346

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.
[2] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.
[3] These figures are projections and are subject to revision as the relevant statistical information becomes available.

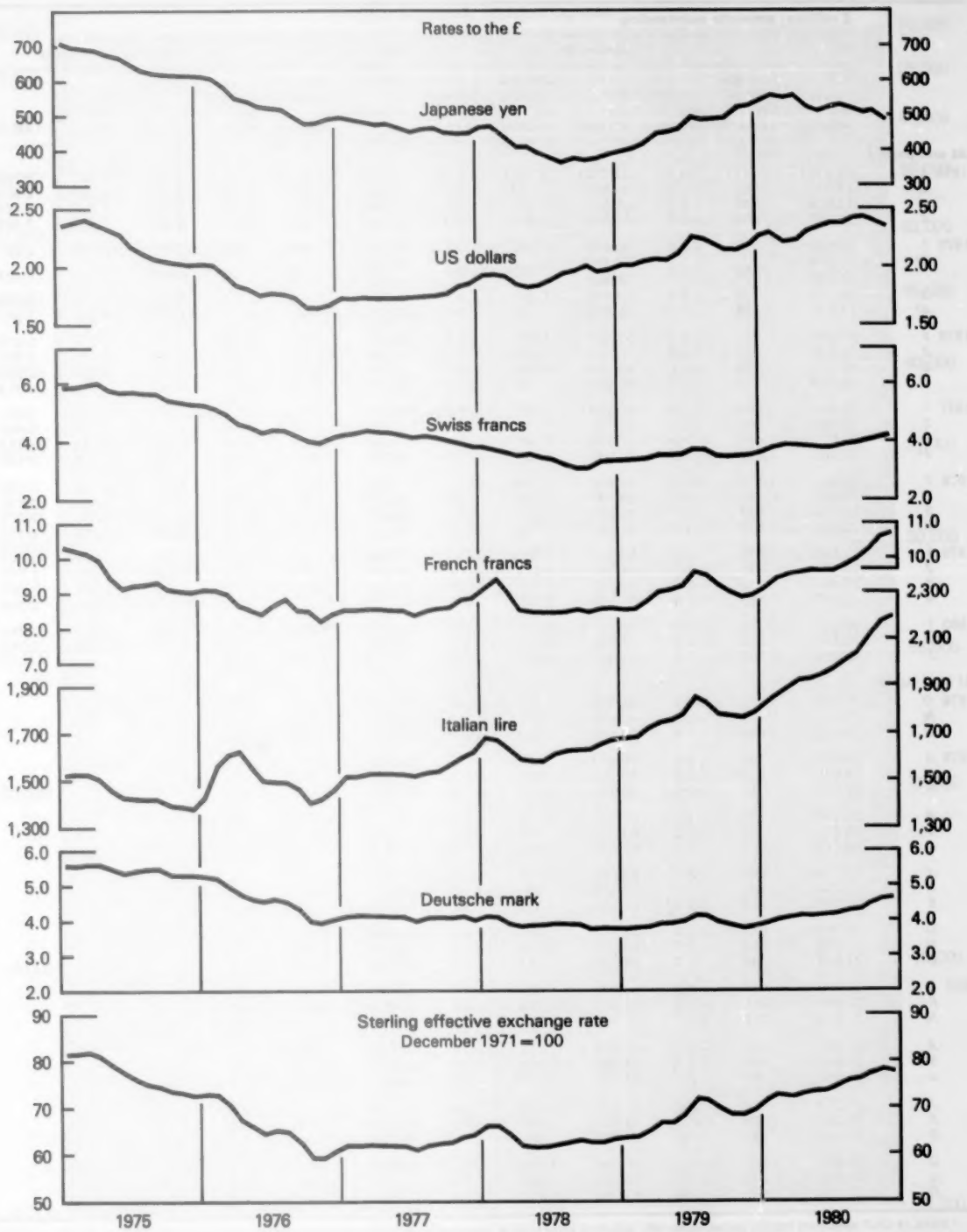

£ million, seasonally adjusted
1,000
800
600
400
200
0
−200
−400
−600
−800
−1,000
−1,200
−1,400
−1,600
−1,800
1975
1976
1977
1978
1979
1980
Invisible balance
Visible trade
Current balance

Sterling exchange rates and UK official reserves

	Sterling exchange rate against major currencies[1]						$ million	Dec 1971 =100
	Japanese yen	US dollars	Swiss francs	French francs	Italian lire	Deutsche-marks	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1969	..	2·390	10·308	12·43	1,499	9·379	2,528	99·9
1970	857·8	2·396	10·327	13·24	1,502	8·736	2,827	98·9
1971	844·6	2·444	10·069	13·46	1,511	8·530	6,582	98·8
1972	752·3	2·502	9·554	12·62	1,460	7·975	5,646	95·2
1973	664·6	2·453	7·758	10·90	1,426	6·540	6,476	86·3
1974	682·7	2·340	6·965	11·25	1,522	6·049	6,789	83·6
1975	658·1	2·220	5·723	9·50	1,447	5·447	5,429	77·2
1976	535·4	1·805	4·521	8·61	1,497	4·552	4,129	65·4
1977	467·7	1·746	4·189	8·57	1,540	4·050	20,557	62·1
1978	402·7	1·920	3·423	8·64	1,628	3·850	15,694	63·0
1979	465·6	2·122	3·525	9·03	1,762	3·887	22,538	67·8
1980	525·6	2·328	3·894	9·82	1,992	4·227	27,476	74·7
1976 *1*	603·6	1·998	5·151	9·04	1,530	5·142	5,905	72·0
2	539·8	1·805	4·504	8·49	1,554	4·619	5,312	65·8
3	514·0	1·766	4·380	8·67	1,483	4·473	5,158	64·1
4	484·8	1·651	4·038	8·23	1,424	3·977	4,129	59·6
1977 *1*	488·7	1·714	4·324	8·53	1,514	4·107	9,618	61·8
2	473·0	1·719	4·315	8·51	1,523	4·059	11,572	61·6
3	461·8	1·735	4·160	8·49	1,532	4·005	17,171	61·8
4	447·4	1·813	3·962	8·76	1,592	4·032	20,557	63·3
1978 *1*	458·3	1·928	3·720	9·17	1,662	4·000	20,320	65·4
2	404·6	1·835	3·516	8·45	1,583	3·809	16,542	61·5
3	372·2	1·932	3·241	8·46	1,617	3·875	16,511	62·4
4	377·2	1·984	3·222	8·51	1,649	3·718	15,694	62·7
1979 *1*	406·3	2·016	3·375	8·61	1,691	3·740	21,947	64·0
2	453·1	2·081	3·565	9·11	1,762	3·944	22,070	67·4
3	488·6	2·234	3·657	9·46	1,825	4·059	22,692	71·0
4	513·7	2·157	3·505	8·94	1,771	3·810	22,538	68·8
1980 *1*	548·5	2·254	3·740	9·34	1,857	3·995	26,963	72·2
2	528·6	2·286	3·833	9·61	1,942	4·132	28,172	73·4
3	523·2	2·382	3·885	9·81	2,008	4·226	27,637	75·4
4	502·2	2·387	4·115	10·53	2,159	4·551	27,476	77·7
1979 *J*	396·4	2·005	3·348	8·52	1,677	3·708	16,258	63·5
F	401·6	2·004	3·357	8·56	1,683	3·720	16,617	63·7
M	420·5	2·038	3·420	8·73	1,714	3·790	21,947	65·0
A	447·9	2·073	3·555	9·02	1,748	3·926	21,467	66·9
M	449·6	2·058	3·554	9·08	1,752	3·926	21,532	66·9
J	461·3	2·112	3·585	9·21	1,785	3·977	22,070	68·3
J	493·7	2·260	3·721	9·60	1,854	4·122	23,439	71·9
A	487·4	2·238	3·708	9·52	1,833	4·095	23,245	71·4
S	489·2	2·200	3·532	9·24	1,785	3·950	22,692	69·8
O	493·3	2·145	3·491	9·00	1,770	3·836	22,318	68·4
N	522·5	2·133	3·508	8·87	1,760	3·781	22,237	68·4
D	528·0	2·198	3·517	8·94	1,785	3·813	22,538	69·7
1980 *J*	538·8	2·266	3·612	9·15	1,823	3·907	23,441	71·4
F	558·9	2·290	3·751	9·37	1,854	4·001	23,670	72·8
M	548·2	2·206	3·865	9·51	1,896	4·081	26,963	72·3
A	552·2	2·216	3·855	9·60	1,934	4·142	28,008	72·9
M	525·4	2·304	3·830	9·63	1,942	4·125	28,284	73·6
J	509·2	2·336	3·815	9·60	1,951	4·128	28,172	73·7
J	524·3	2·373	3·812	9·62	1,973	4·145	28,272	74·6
A	530·8	2·371	3·914	9·83	2,008	4·242	28,291	75·5
S	515·1	2·402	3·936	9·99	2,045	4·297	27,637	76·1
O	505·7	2·417	4·011	10·28	2,111	4·533	28,026	77·3
N	510·1	2·396	4·135	10·63	2,177	4·593	28,189	78·3
D	491·1	2·346	4·184	10·70	2,194	4·620	27,476	77·6

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. Substantial valuation changes at March 1979 and March 1980 increased the level of reserves by $4,493 million and $3,089 million respectively. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Rates to the £
Japanese yen
US dollars
Swiss francs
French francs
Italian lire
Deutsche mark
Sterling effective exchange rate
December 1971 = 100
1975
1976
1977
1978
1979
1980

Money stock

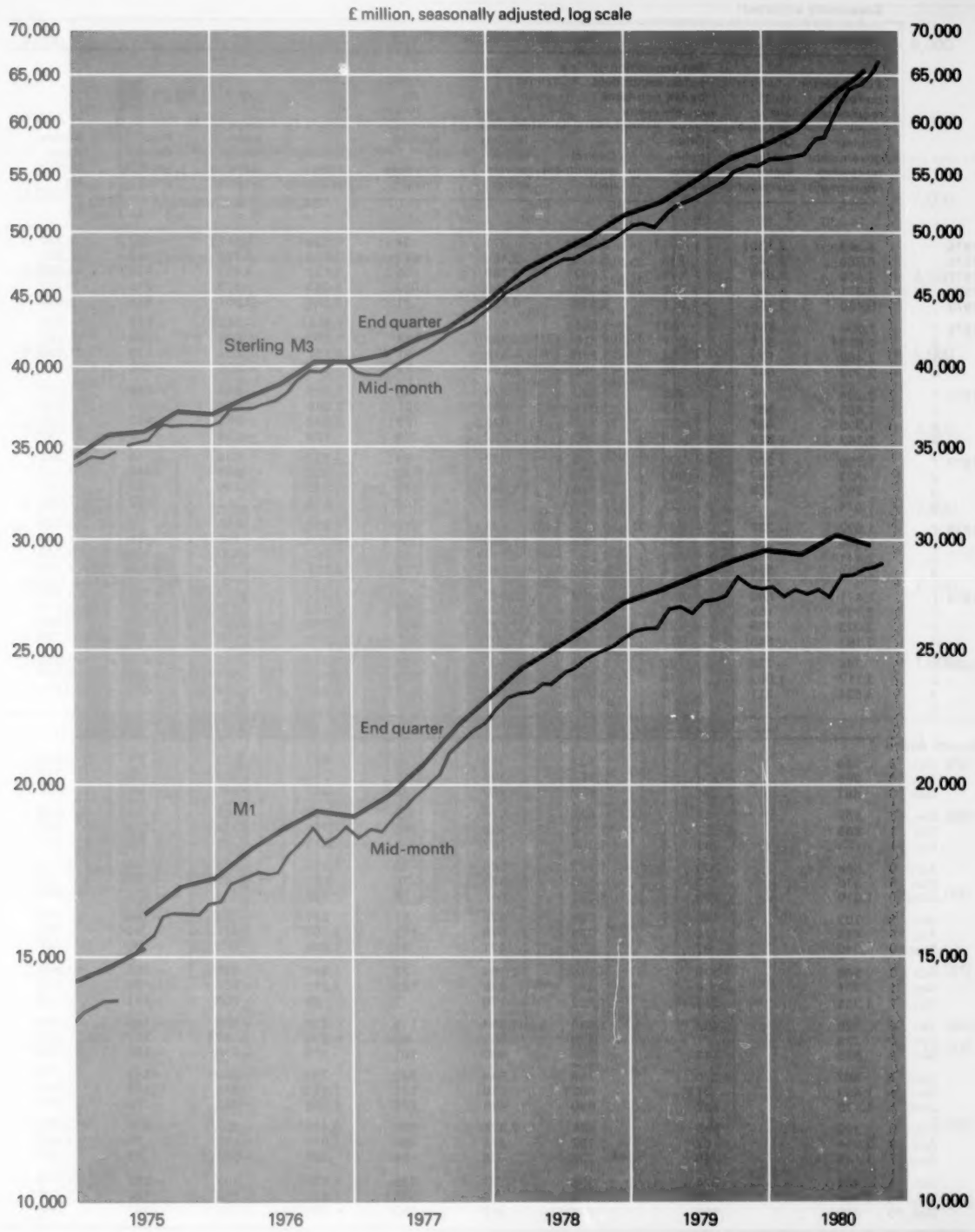
	£ million: amounts outstanding											
	M1			Sterling M3			M3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted [5]	Changes (seasonally adjusted)	*Percentage change*	M1	Sterling M3	M3
At end period												
1974 *1*	12,870†	− 12†	*−0·1*†	32,730†	1,374†	*+4·4*†	34,520†	1,671†	*+5·1*†	5·958	2·397	2·283
2	13,370	495	*+3·8*	32,810	97	*+0·3*	34,940	422	*+1·2*	6·365	2·519	2·375
3	13,510	148	*+1·1*	33,490	685	*+2·1*	35,940	1,004	*+2·9*	6·624	2·660	2·484
4	14,330	806	*+6·0*	34,610	1,099	*+3·3*	37,100	1,124	*+3·1*	6·488	2·660	2·481
1975 *1*	14,880	517	*+3·6*	35,560	885	*+2·6*	38,120	946	*+2·5*	6·601	2·763	2·581
2[2]	15,350	463	*+3·1*	35,860	292	*+0·8*	38,120	—19	—	6·834	2·921	2·733
	16,080			35,840			38,100					
3	16,770	700	*+4·4*	37,030	1,203	*+3·4*	39,780	1,697	*+4·5*	6·669	2·959	2·763
4[3]	17,070	338	*+2·0*	36,920	− 49	*−0·1*	40,010	279	*+0·7*	6·674	3·063	2·842
1976 *1*	17,940	916	*+5·4*	37,960	1,107	*+3·0*	41,160	1,199	*+3·0*	6·836	3·214	2·970
2	18,530	603	*+3·4*	33,790	842	*+2·2*	42,210	1,064	*+2·6*	6·721	3·188	2·930
3	19,100	578	*+3·1*	40,300	1,525	*+3·9*	44,310	2,115	*+5·0*	6·789	3·224	2·941
4	18,980	−114	*−0·6*	40,380	90	*+0·2*	44,470	177	*+0·4*	7·002	3·312	3·013
1977 *1*	19,540	552	*+2·9*	40,720	351	*+0·9*	45,070	617	*+1·4*	6·974	3·324	3·017
2	20,530	985	*+5·0*	41,740	1,017	*+2·5*	46,220	1,143	*+2·5*	6·974	3·389	3·059
3	22,020	1,484	*+7·2*	42,990	1,231	*+2·9*	47,390	1,148	*+2·5*	6·890	3·446	3·112
4[4]	23,180	1,172	*+5·3*	44,540	1,532	*+3·6*	48,950	1,529	*+3·2*	6·743	3·478	3·163
1978 *1*	24,350	1,174	*+5·1*	46,880	2,325	*+5·2*	51,480	2,522	*+5·2*	6·599	3·429	3·127
2	25,090	747	*+3·1*	48,230	1,363	*+2·9*	53,260	1,790	*+3·5*	6·667	3·438	3·118
3	26,010	927	*+3·7*	49,560	1,326	*+2·7*	54,480	1,222	*+2·3*	6·643	3·443	3·117
4	27,020	1,028	*+4·0*	51,310	1,758	*+3·5*	56,350	1,865	*+3·4*	6·504	3·418	3·113
1979 *1*	27,580	549	*+2·0*	52,370	1,002	*+2·0*	57,150	743	*+1·3*	6·397	3·369	3·082
2	28,250	676	*+2·5*	54,380	2,013	*+3·8*	59,290	2,139	*+3·7*	6·795	3·528	3·229
3	28,950	727	*+2·6*	56,210	1,891	*+3·5*	61,040	1,819	*+3·1*	6·948	3·565	3·269
4	29,460	559	*+1·9*	57,830	1,709	*+3·0*	63,270	2,331	*+3·8*	6·942	3·561	3·269
1980 *1*	29,370	− 35	*−0·1*	59,250	1,537	*+2·7*	65,110	1,958	*+3·1*	7·067	3·587	3·259
2	30,110	755	*+2·6*	62,570	3,350	*+5·7*	68,150	3,077	*+4·7*	7·326	3·566	3·257
3	29,790	−304	*−1·0*	65,350	2,811	*+4·5*	71,210	3,093	*+4·5*			
At mid-month												
1978 *O*	24,910	226	*+0·9*	48,730	407	*+0·8*	53,370	522	*+1·0*	..	..	..
N	25,030	138	*+0·6*	49,090	379	*+0·8*	54,040	688	*+1·3*	..	..	..
D	25,430	408	*+1·6*	49,600	527	*+1·1*	54,450	429	*+0·8*	..	..	..
1979 *J*	25,820	388	*+1·5*	50,500	867	*+1·7*	55,180	700	*+1·3*	..	..	..
F	25,950	134	*+0·5*	50,780	287	*+0·6*	55,630	457	*+0·8*	..	..	..
M	25,960	16	*+0·1*	50,390	−387	*−0·8*	54,970	−665	*−1·2*	..	..	..
A	26,730	772	*+3·0*	51,410	1,015	*+2·0*	55,950	990	*+1·8*	..	..	..
M	26,810	79	*+0·3*	52,190	784	*+1·5*	57,030	1,072	*+1·9*	..	..	..
J	26,510	−295	*−1·1*	52,650	461	*+0·9*	57,720	690	*+1·2*	..	..	..
J	27,110	596	*+2·2*	53,100	449	*+0·9*	57,740	24	—	..	..	..
A	27,230	133	*+0·5*	53,840	751	*+1·4*	58,420	688	*+1·2*	..	..	..
S	27,390	180	*+0·7*	54,180	363	*+0·7*	58,810	415	*+0·7*	..	..	..
O	28,190	814	*+3·0*	55,160	1,004	*+1·9*	60,070	1,290	*+2·2*	..	..	..
N	27,760	−419	*−1·5*	55,700	547	*+1·0*	61,270	1,203	*+2·0*	..	..	..
D	27,660	− 98	*−0·4*	55,750	42	*+0·1*	61,030	−250	*−0·4*	..	..	..
1980 *J*	27,690	49	*+0·2*	56,240	485	*+0·9*	61,120	80	*+0·1*	..	..	..
F	27,280	−411	*−1·5*	56,580	330	*+0·6*	61,670	546	*+0·9*	..	..	..
M	27,570	304	*+1·1*	56,860	302	*+0·5*	62,190	539	*+0·9*	..	..	..
A	27,450	−105	*−0·4*	57,050	216	*+0·4*	62,880	720	*+1·2*	..	..	..
M	27,550	115	*+0·4*	58,280	1,249	*+2·2*	64,520	1,658	*+2·6*	..	..	..
J	27,240	−297	*−1·1*	58,720	447	*+0·8*	64,710	198	*+0·3*	..	..	..
J	28,220	976	*+3·6*	61,670	2,954	*+5·0*	67,270	2,563	*+4·0*	..	..	..
A	28,290	64	*+0·2*	63,500	1,826	*+3·0*	69,220	1,954	*+2·9*	..	..	..
S	28,550	273	*+1·0*	63,850	390	*+0·6*	69,300	114	*+0·2*	..	..	..
O	28,650	112	*+0·4*	65,080	1,268	*+2·0*	70,430†	1,171†	*+1·7*	..	..	..
N	28,840	208	*+0·7*	66,420	1,366	*+2·1*	72,160	1,758	*+2·5*	..	..	..
D	29,300	465	*+1·6*	66,760	358	*+0·5*	72,540	398	*+0·6*	..	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M1/sterling M3/M3 seasonally adjusted.

[2] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975 includes a number of estimates to provide reasonable consistency with earlier dates.

[3] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[4] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: this affects the level of M3 but the effect of the increased stock of such holdings has been eliminated from the series for changes in M3.


£ million, seasonally adjusted, log scale
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
1975
1976
1977
1978
1979
1980

Domestic credit expansion and changes in money stock

Seasonally adjusted[1]

£ million

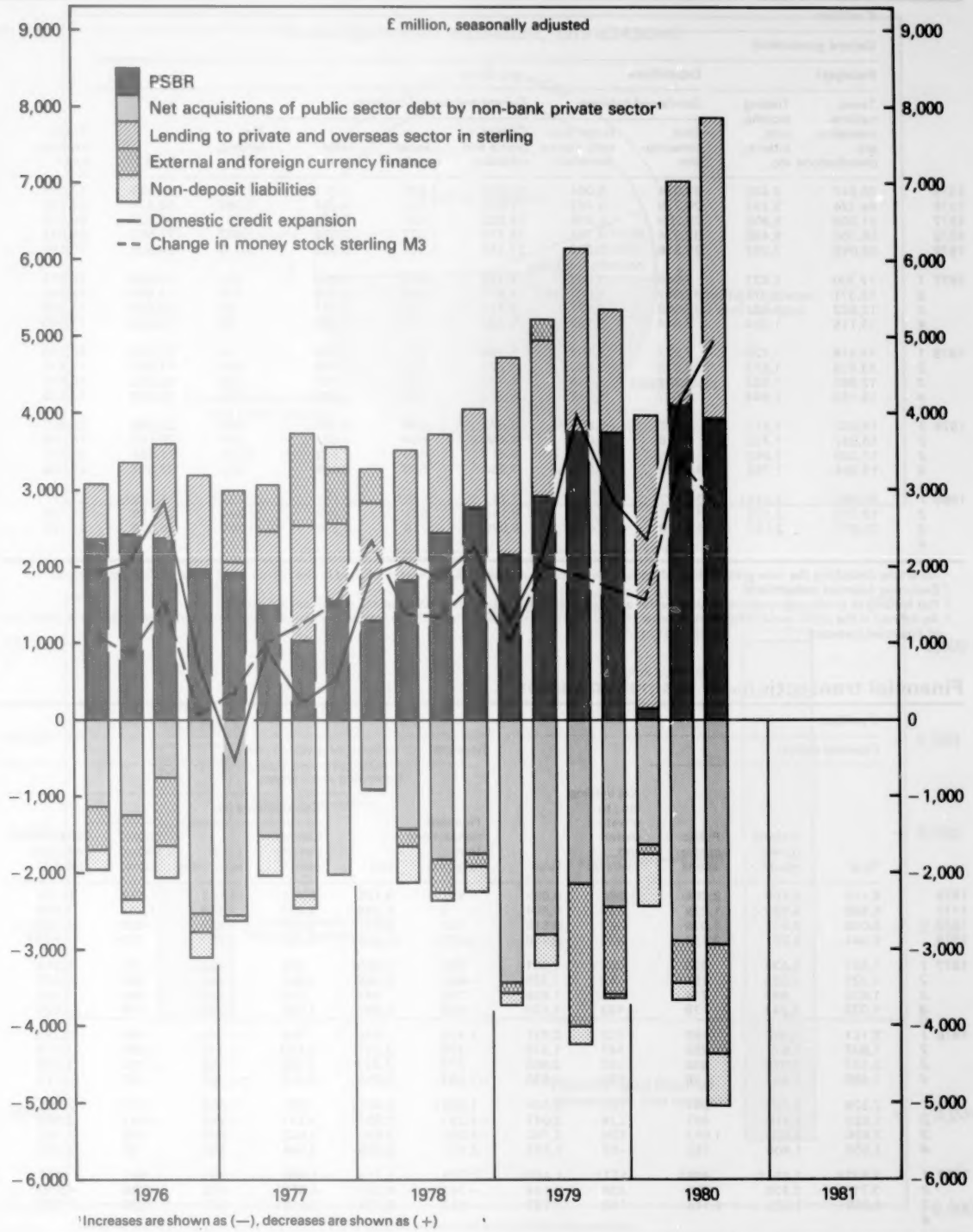
	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector[2]	Sterling lending to overseas sector[3]	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M3
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt						
	1	2	3	4	5	6	7	8	9	10
1975	8,345	2,135†	201†	5,344†	—371	— 34	4,530†	—1,317†	—882	2,331
1976	6,786	2,342	295	5,470	3,464	647	7,474	—2,767	—1,142	3,565
1977	4,469	1,526	549	7,907	3,188	405	1,132	3,432	—434	4,130
1978	8,371	— 40	—335	6,361	4,698	1,062	8,065	—378	—915	6,772
1979	10,430	2,166	1,011	9,875	8,585	— 11	10,284	—2,851	—818	6,615
1975 *1*	1,904	666†	43†	1,585†	502	—124	1,314†	—282†	—147	885
2	1,652†	811	217	516	—358	148	1,520	—1,029	—199	292
3	2,489	123	—134	1,278	—318	21	1,171	202	—170	1,203
4	2,300	541	75	1,965	—197	— 79	525	—208	—366	— 49
1976 *1*	2,284	85	—165	1,333	375	343	1,919	—544	—268	1,107
2	1,453	961	213	1,074	681	261	2,069	—1,074	—153	842
3	1,906	467	52	723	1,025	199	2,822	—895	—402	1,525
4	1,143	829	195	2,340	1,382	—156	663	—254	—319	90
1977 *1*	1,710	200	309	2,274	225	— 84	—532	939	— 56	351
2	923	557	309	1,224	791	182	920	595	—498	1,017
3	262	769	— 40	2,344	1,341	159	227	1,186	—182	1,231
4	1,574	—	— 29	2,065	832	148	518	712	302	1,532
1978 *1*	1,522	—227	—327	1,267	897	646	1,898	431	— 4	2,325
2	1,956	—138	—324	1,767	1,390	294	2,059	—240	—456	1,363
3	2,441	4	320	1,537	1,217	47	1,852	—420	—106	1,326
4	2,452	321	— 4	1,790	1,194	75	2,256	—149	—349	1,758
1979 *1*	1,471	693	269	3,179	2,643	— 82	1,277	—143	—132	1,002
2	2,739	169	3	2,810	2,060	— 22	2,133	278	—398	2,013
3	3,023	759	422	1,738	2,275	92	3,989	—1,847	—251	1,891
4	3,197	545	317	2,148	1,607	1	2,885	—1,139	— 37	1,709
1980 *1*	284	—138	122	1,537	3,409	423	2,319	—113	—669	1,537
2	3,117	1,002	688	2,204	2,310	606	4,143	—554	—239	3,350
3	3,624	311	—170	3,099	3,125	807†	4,938	—1,454	—673	2,811
4										
Month ended										
1978 Oct. 18	556		— 35	137	319	— 16	687	—210	— 70	407
Nov. 15	986		—204	794	390	—115	263	189	— 73	379
Dec. 13	661		341	662	480	137	957	—341	— 89	527
1979 Jan. 17	567		141	621	576	63	726	192	— 51	867
Feb. 21	809		333	1,225	998	—146	769	—304	—178	287
Mar. 21	—		243	1,284	767	—	—274	— 45	— 68	—387
April 18	1,586		208	1,273	660	29	1,210	—116	— 79	1,015
May 16	870		—172	500	629	70	897	— 45	— 68	784
June 20	1,016		160	1,391	842	— 77	550	123	—212	461
July 18	702		140	795	475	— 11	511	33	— 95	449
Aug. 15	493		174	256	678	113	1,202	—421	— 30	751
Sept. 19	1,340		92	870	477	— 34	1,005	—603	— 39	363
Oct. 17	968		—578	—113	1,184	— 29	1,658	—395	—259	1,004
Nov. 21	901		— 5	486	698	103	1,211	—727	63	547
Dec. 12	1,355		—213	1,209	170	— 7	96	109	—163	42
1980 Jan. 16	126		483	1,430	1,384	175	738	—104	—149	485
Feb. 20	228		— 71	479	503	89	270	— 57†	117†	330
Mar. 19	578		—142	253	433	101	717	—230	—185	302
April 16	—582		275	758	1,544	222	701	—342	—143	216
May 21	1,493		— 31†	502†	370	—181	1,149	246	—146	1,249
June 18	1,409		137	890	438	275	1,369	—843	— 79	447
July 16	399		559	536	2,378	666	3,466†	—207	—305	2,954
Aug. 20	2,044		—62	1,192	871	350	2,011	—119	— 66	1,826
Sept. 17	1,139		—45	736	525	84	967	—564	— 13	390
Oct. 15	404		324	996	1,161	235	1,128	303	—163	1,268
Nov. 19	1,961		—39	944	—63	516†	1,431	—194	129	1,366†
Dec. 10	610		—137	758	816	230	761	—261	—142	358

Relationship between columns: 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 + 8 + 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of ECGD-backed promisory notes acquired as part of money market smoothing operations.



[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest			
1975	38,547	4,439	23,074	5,064	14,353	1,196	4,211	3,755	51,653	47,740
1976	44,724	5,223	26,779	5,483	17,015	1,435	5,394	2,365	58,471	54,109
1977	51,008	5,909	29,209	4,935	19,502	1,537	6,373	251	61,807	56,813
1978	56,704	6,488	32,934	4,741	23,239	2,027	7,224	1,687	71,852	66,077
1979	68,053	7,353	38,316	5,239	27,348	1,901	8,829	3,273	84,906	78,150
1977 *1*	12,700	1,527	7,040	1,565	4,742	470	1,832	433	16,082	14,713
2	12,371	1,371	7,257	1,007	4,833	363	1,314	−178	14,596	13,583
3	12,822	1,697	7,368	1,171	4,847	328	1,747	88	15,549	13,968
4	13,115	1,314	7,544	1,192	5,080	376	1,480	− 92	15,580	14,549
1978 *1*	14,116	1,720	7,972	1,483	5,658	693	1,995	74	17,875	16,253
2	13,539	1,512	8,073	962	5,725	413	1,455	439	17,067	15,879
3	13,897	1,702	8,252	1,145	5,783	442	1,951	729	18,302	16,645
4	15,152	1,554	8,637	1,151	6,073	479	1,823	445	18,608	17,300
1979 *1*	16,032	1,917	8,875	1,500	6,522	504	2,330	554	20,285	18,503
2	16,387	1,722	9,316	1,023	6,855	454	1,877	670	20,195	18,595
3	17,250	1,962	9,896	1,356	6,617	443	2,523	1,054	21,889	20,026
4	18,384	1,752	10,229	1,360	7,354	500	2,099	995	22,537	21,026
1980 *1*	20,845†	2,045†	10,872	1,700†	7,747	576†	3,149†	152†	24,196†	22,211†
2	18,713	2,136	11,656†	1,144	8,145†	521	2,209	1,444	25,119	23,188
3	21,811	2,157	12,386	1,415	8,075	618	3,299	1,185	26,978	24,759
4										

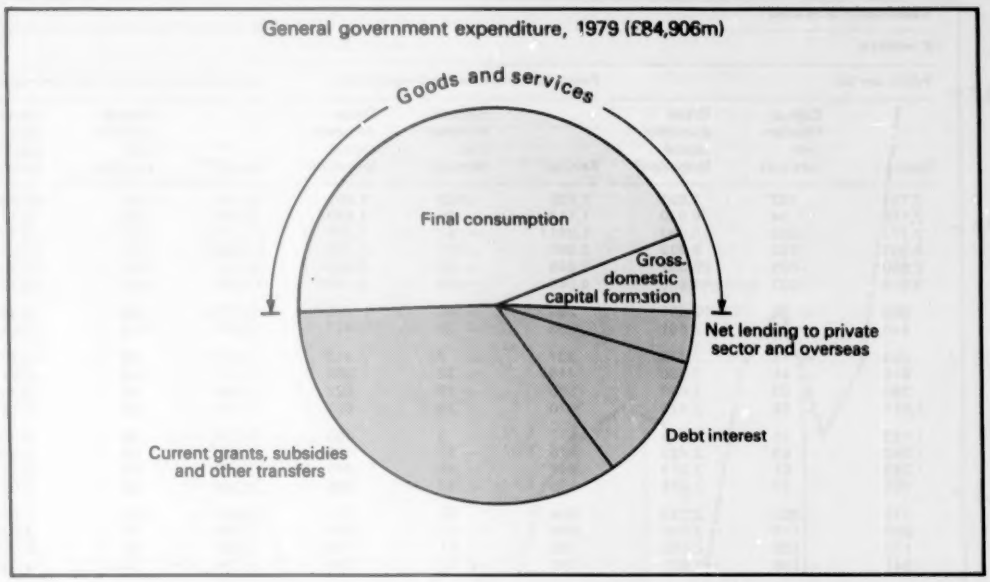
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7841). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

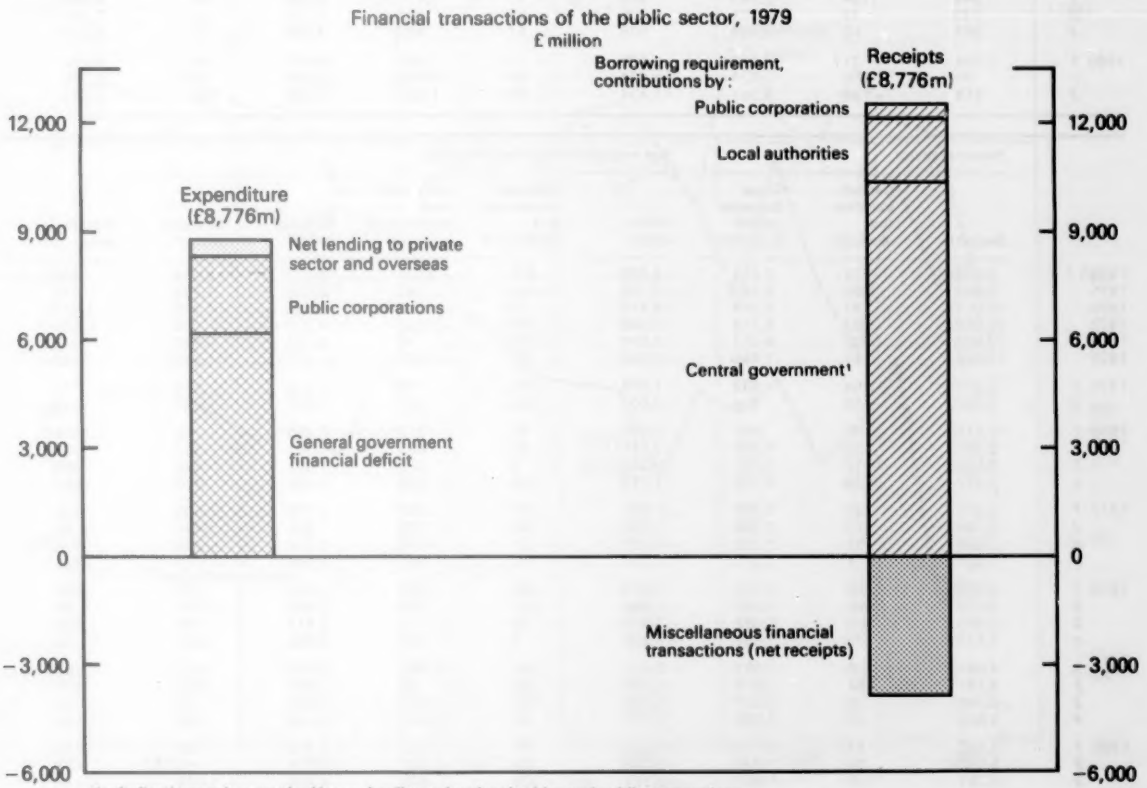
Financial transactions of the public sector

£ million

	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total [5§]
1976	8,413	6,159	2,254	1,286	9,699	571	9,128	6,786	1,103	1,239	9,128
1977	5,868	4,639	1,229	126	5,994	− 1	5,995	4,469	183	1,343	5,995
1978	8,048	6,973	1,075	467	8,515	184	8,331	8,371	659	−699	8,331
1979	8,344	6,227	2,117	432	8,776	−3,820†	12,596†	10,430	1,787	379†	12,596†
1977 *1*	1,647	1,422	225	284	1,931	931	1,000	572	463	−35	1,910
2	1,223	1,032	191	13	1,236	−849	2,085	1,803	−256	538	1,480
3	1,676	942	734	22	1,698	755	943	210	269	464	1,031
4	1,322	1,243	79	−193	1,129	−838	1,967	1,884	−293	376	1,574
1978 *1*	2,154	1,965	189	−123	2,031	1,432	599	534	709	−644	1,295
2	1,832	1,577	255	147	1,979	−238	2,217	2,659	−136	−306	1,818
3	2,577	1,974	603	292	2,869	572	2,297	2,259	154	−116	2,445
4	1,485	1,457	28	151	1,636	−1,582	3,218	2,919	− 68	367	2,773
1979 *1*	2,329	1,782	547	167	2,496	1,029†	1,467†	247	1,003	217†	2,164†
2	1,823	1,416	407	224	2,047	−1,287	3,334	3,797	−226	−237	2,908
3	2,636	1,623	1,013	104	2,740	−1,090	3,830	2,842	650	338	3,782
4	1,556	1,406	150	−63	1,493	−2,472	3,965	3,544	360	61	3,742
1980 *1*	1,622†	1,154†	468†	−127†	1,495†	2,709	−1,214	−1,956	1,383	−641	146
2	3,716	2,826	890	428	4,144	−743	4,887	4,619	553	−285	4,119
3	2,969	1,825	1,144	168	3,137	−649	3,786	3,229†	331	226	3,935
4											

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2. [3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations. [5] Calendar year constrained.


General government expenditure, 1979 (£84,906m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1] Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

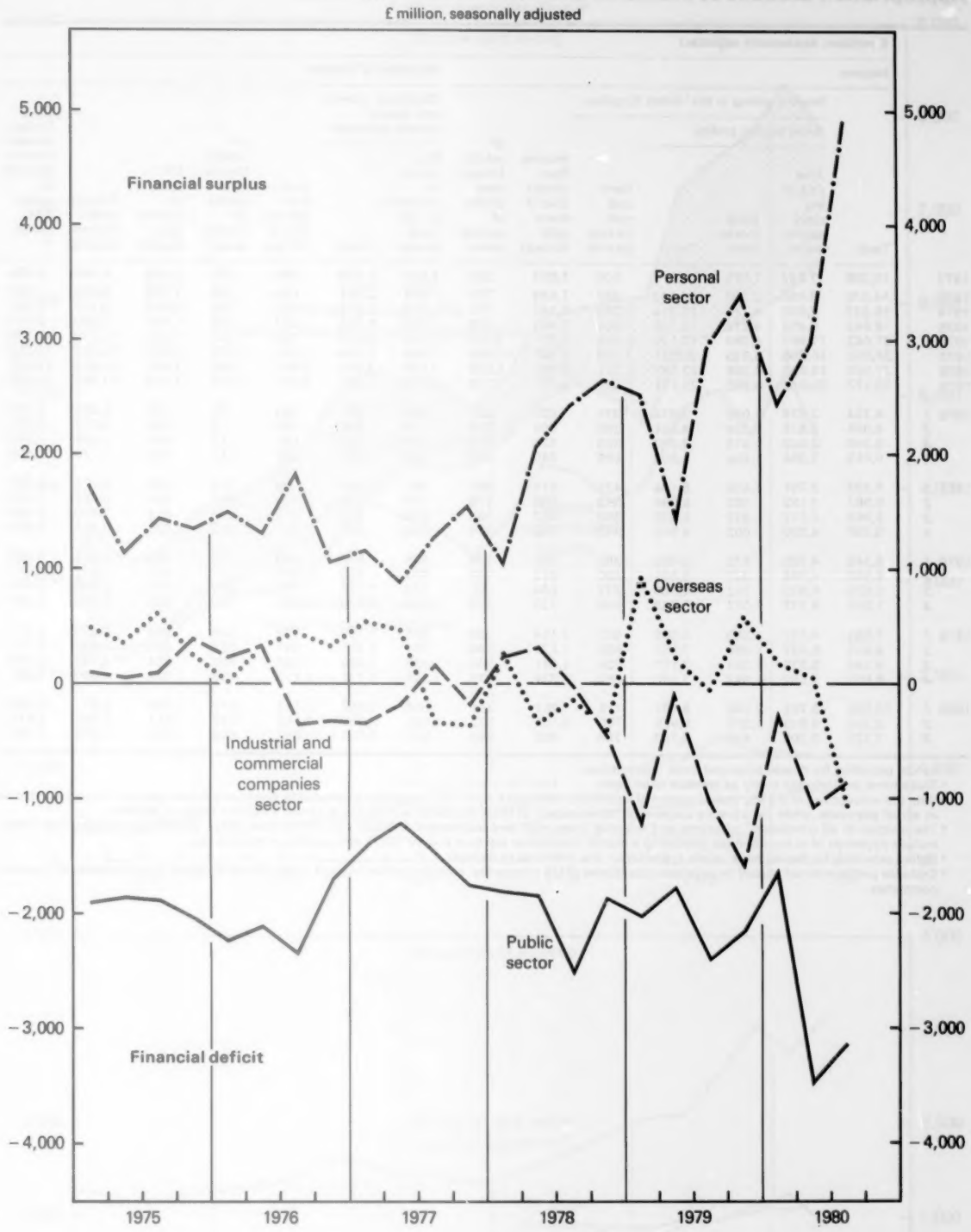
Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1974	2,791	107	7,593	1,199	−193	1,461	8,197	335	12,056
1975	2,149	− 34	9,820	1,112	− 65	1,563	9,692	404	9,453
1976	2,777	−203	10,987	1,981†	− 97	1,921	13,272†	357	13,771
1977	4,303	−232	9,939	2,480	−101	2,161	14,268	251	15,104
1978	2,650	−606	10,092	2,645	− 65	3,080	15,612	370	15,904
1979	3,509	−297	11,556	4,040	−193	3,780†	17,861	323	22,147†
1975 *3*	589	− 22	2,461	294	− 40	449	2,377	126	2,405
4	646	− 22	2,661	353	− 38	417	2,801	119	2,523
1976 *1*	553	− 11	2,779	337	− 7	419	2,955†	68	2,811
2	816	− 41	2,886	419†	− 32	468	3,197	103	2,977
3	397	− 53	2,696	555	− 29	522	3,345	92	3,796
4	1,011	− 98	2,626	670	− 29	512	3,775	94	4,187
1977 *1*	1,183	− 85	2,509	677	3	463	3,777	49	4,186
2	1,282	− 69	2,422	625	− 37	458	3,657	90	3,945
3	1,083	− 51	2,513	642	− 34	645	3,470	53	3,349
4	755	− 27	2,495	536	− 33	595	3,364	59	3,624
1978 *1*	776	−253	2,333	454	90	777	3,821	103	3,667
2	860	−113	2,595	629	− 52	814	4,258	79	4,028
3	173	−125	2,563	765	− 51	749	3,908	94	4,013
4	841	−115	2,601	797	− 52	740	3,625	94	4,196
1979 *1*	819	− 69	2,761	1,045	− 20	820†	3,933	50	5,236†
2	1,046	−104	2,728	945	− 57	1,117	4,836	107	5,028
3	778	− 74	3,104	1,075	− 59	861	4,742	103	5,860
4	866	− 50	2,963	975	− 57	982	4,350	63	6,023
1980 *1*	1,558†	− 74†	3,123	1,135	− 18	1,061	4,971	31	5,282
2	− 39	−115	3,324	1,574	− 58	1,182	3,566	79†	4,726
3	414	−194	3,347	1,434	− 59†	1,050	2,376	134	3,387

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1974	8,205	−324	2,869	−4,695	−455	−3,524	5,012	3,454	208
1975	9,344	−305	3,397	−7,705	−516	643	5,642	1,674	262
1976	10,017	− 57	4,304	−8,413	− 37†	− 142†	5,656	1,116	1,820†
1977	10,009	82	5,214	−5,868	218	− 585	4,877	284	1,074
1978	13,908	301	6,011	−8,048	−500	78	8,198	−620	892
1979	17,628†	167	7,465	−8,344	67	−3,963	10,330†	1,670†	240
1975 *3*	2,377	− 64	883	−1,894	−195	98	1,430	613	− 52
4	2,320	− 59	924	−2,037	−102	397	1,337	231	174
1976 *1*	2,516	− 50	967	−2,237	− 89	212†	1,499	11	604†
2	2,331	− 30	1,000	−2,111	− 81†	323	1,301	337	231
3	2,953	− 10	1,141	−2,352	4	− 359	1,802	442	463
4	2,217	33	1,196	−1,713	129	− 318	1,054	326	522
1977 *1*	2,411	33	1,289	−1,411	217	− 360	1,155	535	−136
2	2,149	16	1,266	−1,209	130	− 198	899	467	− 89
3	2,528	32	1,282	−1,481	− 37	174	1,278	−348	414
4	2,921	1	1,377	−1,767	− 92	− 201	1,545	−370	885
1978 *1*	2,363	60	1,376	−1,810	−233	257	1,047	271	468
2	3,479	86	1,480	−1,848	−237	309	2,085	−351	42
3	3,893	82	1,558	−2,515	− 35	− 11	2,417	−139	283
4	4,173	73	1,597	−1,875	5	− 477	2,649	−401	99
1979 *1*	4,046†	39	1,557	−2,011	205	−1,253	2,528†	919†	−388
2	3,197	54	1,810	−1,786	−229	− 85	1,441	222	437
3	4,745	30	1,829	−2,400	155	−1,015	2,946	− 60	374
4	5,640	44	2,269	−2,147	− 64	−1,610	3,415	589	−183
1980 *1*	4,473	61†	2,119†	−1,639†	56	280	2,415	191	−743
2	5,823	94	1,943	−3,478	334	−1,081	3,974	64	187
3	6,751	119	1,967	−3,127	325	− 877	4,903	−1,076	−148

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.

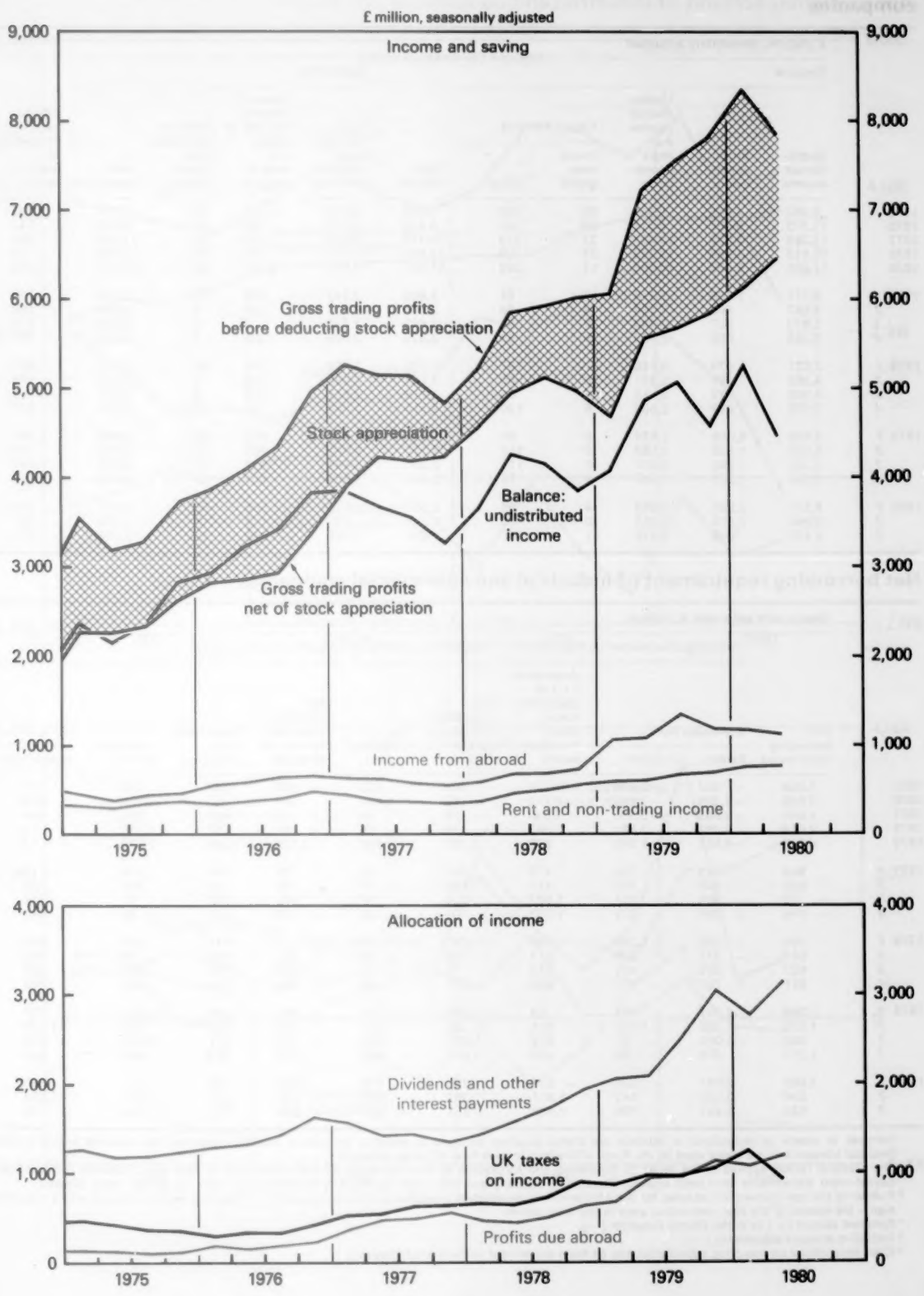

£ million, seasonally adjusted
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1975
1976
1977
1978
1979
1980

Appropriation account of industrial and commercial companies

£ million, seasonally adjusted

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends, interest and current transfer payments						
	Gross trading profits													
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[5,6]
1972	10,398	7,692	1,075	8,767	605	1,026	395	1,524	1,529	549	321	1,036	5,760	5,686
1973	14,076	8,850	2,290	11,140	997	1,939	761	1,638	2,394	665	368	1,303	8,076	7,683
1974	15,637	7,500	4,714	12,214	1,280	2,143	791	1,469	3,376	525	260	2,070	8,197	7,666
1975	16,642	9,459	4,276	13,735	1,266	1,641	846	1,508	3,352	447	224	1,643	9,692	9,070
1976	21,043	11,867	5,256	17,123	1,559	2,361	1,340	1,725	3,879	744	204	1,423	13,272	12,136
1977	24,058	16,396	3,835	20,231	1,496	2,331	1,085	1,969	3,754	1,752	1,075	2,315	14,268	14,258
1978	27,169	19,328	3,369	22,697	1,811	2,661	1,015	2,421	4,182	2,007	929	2,947	15,612	15,526
1979	35,172	20,818	6,903	27,721	2,500	4,951	1,109	3,604	6,080	3,712	2,216	3,915	17,861	18,968
1976 *1*	4,734	2,826	1,048	3,874	333	527	325	424	859	196	93	300	2,955	2,723
2	4,998	2,825	1,236	4,061	368	569	318	420	888	135	− 5	358	3,197	2,874
3	5,298	2,862	1,418	4,280	393	625	349	431	972	193	− 11	357	3,345	2,980
4	6,013	3,354	1,554	4,908	465	640	348	450	1,160	220	127	408	3,775	3,554
1977 *1*	6,239	3,791	1,403	5,194	431	614	267	461	1,103	368	214	530	3,777	3,724
2	6,067	4,193	903	5,096	363	608	278	474	929	458	267	549	3,657	3,646
3	5,965	4,112	927	5,039	359	567	266	510	900	472	284	613	3,470	3,488
4	5,787	4,300	602	4,902	343	542	274	524	822	454	310	623	3,364	3,400
1978 *1*	6,348	4,729	673	5,402	366	580	228	575	834	449	255	669	3,821	3,848
2	6,952	4,954	887	5,841	439	672	256	603	986	442	241	663	4,258	4,243
3	6,826	4,873	792	5,665	477	684	305	579	1,124	500	273	715	3,908	3,876
4	7,043	4,772	1,017	5,789	529	725	226	664	1,238	616	160	900	3,625	3,559
1979 *1*	7,553	4,467	1,399	5,866	573	1,114	239	666	1,389	687	225	878	3,933	3,919
2	8,863	5,497	1,656	7,153	588	1,122	249	704	1,391	947	583	985	4,836	5,170
3	9,194	5,272	1,885	7,157	656	1,381	344	936	1,569	963	650	984	4,742	5,048
4	9,562	5,582	1,963	7,545	683	1,334	277	1,298	1,731	1,115	758	1,068	4,350	4,831
1980 *1*	10,098	5,792	2,309	8,101	716	1,281	461	808	1,952	1,112	879	1,255	4,971	5,389
2	8,768	5,615	1,313	6,928	735	1,105	322	1,057	2,066	1,165	672	914	3,566	3,916
3	7,721	5,205	898	6,103	756	862	260	943	2,056	843	648	1,503	2,376	2,764

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] Excludes profits retained abroad by oversees subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.


£ million, seasonally adjusted
Income and saving
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Gross trading profits
before deducting stock appreciation
Stock appreciation
Balance:
undistributed
income
Gross trading profits
net of stock appreciation
Income from abroad
Rent and non-trading income
1975
1976
1977
1978
1979
1980
Allocation of income
4,000
3,000
2,000
1,000
0
Dividends and other
interest payments
UK taxes
on income
Profits due abroad
1975
1976
1977
1978
1979
1980

Capital account and net acquisition of financial assets of industrial and commercial companies

£ million, seasonally adjusted

	Receipts						Expenditure				
	Undistributed income	Stock appreciation	Undistributed income *less* stock appreciation	Capital transfers: Investment grants	Capital transfers: Other	Total receipts	Gross domestic fixed capital formation	Value of physical increase of stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance net acquisition of financial assets
1975	9,692	4,276	5,416	96	346	5,858	6,908	−1,731	38	5,215	643
1976	13,272	5,256	8,016	58	342	8,416	8,112	403	43	8,558	− 142
1977	14,268	3,835	10,433	32	279	10,744	9,692	1,577	60	11,329	− 585
1978	15,612	3,369	12,243	29	409	12,681	11,773	762	68	12,603	78
1979	17,861	6,903	10,958	17	392	11,367	13,013	2,231	86	15,330	−3,963
1977 *1*	3,777	1,403	2,374	10	81	2,465	2,162	621	42	2,825	− 360
2	3,657	903	2,754	8	86	2,848	2,476	566	4	3,046	− 198
3	3,470	927	2,543	6	54	2,603	2,415	7	7	2,429	174
4	3,364	602	2,762	8	58	2,828	2,639	383	7	3,029	− 201
1978 *1*	3,821	673	3,148	7	137	3,292	2,890	104	41	3,035	257
2	4,258	887	3,371	8	80	3,459	2,939	202	9	3,150	309
3	3,908	792	3,116	8	92	3,216	2,961	260	6	3,227	− 11
4	3,625	1,017	2,608	6	100	2,714	2,983	196	12	3,191	− 477
1979 *1*	3,933	1,399	2,534	5	93	2,632	3,029	808	48	3,885	−1,253
2	4,836	1,656	3,180	7	110	3,297	3,021	351	10	3,382	− 85
3	4,742	1,885	2,857	2	111	2,970	3,404	571	10	3,985	−1,015
4	4,350	1,963	2,387	3	78	2,468	3,559	501	18	4,078	−1,610
1980 *1*	4,971	2,309	2,662	4	85	2,751	3,538	− 565	58	3,031	− 280
2	3,566	1,313	2,253	10	85	2,348	3,587	− 174	16	3,429	−1,081
3	2,376	898	1,478	11	142	1,631	3,681	−1,192	19	2,508	− 877

Net borrowing requirement of industrial and commercial companies

Seasonally adjusted, £ million

	Financing of net borrowing requirement[1,2]			Transactions leading to net borrowing requirement						
	Net borrowing requirement	Borrowing from: Banks	Borrowing from: Other	Acquisition (+) of liquid and certain other financial assets	Net acquisition of financial assets[3] (deficit: +)	Net unremitted profits[4]	Net identified trade and other credit received[5]	Investment in UK securities[6]	Investment abroad	Unidentified transactions
1975	1,059	− 482	−2,905	2,328	− 643	622	− 292	367	210	795
1976	2,585	−2,398	−2,659	2,472	142	1,136	387	857	629	− 566
1977	1,641	−2,966	−2,305	3,630	585	10	47	687	696	− 384
1978	2,519	−2,890	−2,591	2,962	− 78	86	− 41	765	1,768	19
1979	5,543	−4,953	−1,566	976	3,963	−1,107	−2,028	1,054	3,680	− 19
1977 *1*	849	− 613	− 709	473	360	53	− 39	147	218	110
2	930	− 645	− 732	447	198	11	− 48	148	386	235
3	− 22	− 954	− 531	1,507	− 174	− 18	161	195	57	− 243
4	− 116	− 754	− 333	1,203	201	− 36	− 27	197	35	− 486
1978 *1*	766	− 393	−1,269	896	− 257	− 27	2	179	247	622
2	555	− 971	− 201	617	− 309	15	121	155	78	495
3	687	− 819	− 421	553	11	32	262	225	487	− 330
4	511	− 707	− 700	896	477	66	− 426	206	956	− 768
1979 *1*	2,296	−1,981	− 403	88	1,253	14	− 151	205	1,002	− 27
2	1,276	−1,085	−1,102	911	85	− 334	− 444	235	706	1,028
3	694	−1,085	− 21	412	1,015	− 306	− 760	231	1,123	− 639
4	1,277	− 802	− 40	− 435	1,610	− 481	− 673	353	849	− 381
1980 *1*	3,565	−2,048	− 539	− 978	280	− 418	1,269	169	977	1,288
2	536	−2,090	143	1,411	1,081	− 350	− 102	174	829	−1,096
3	822	−2,451	190	1,439	877	− 388	− 244	423	119	35

[1] Increase in assets or reductions in liabilities are shown positive; decrease in assets or increase in liabilities negative. The seasonal factors for the financial transactions are those used by the Bank of England in their flow of funds accounts.

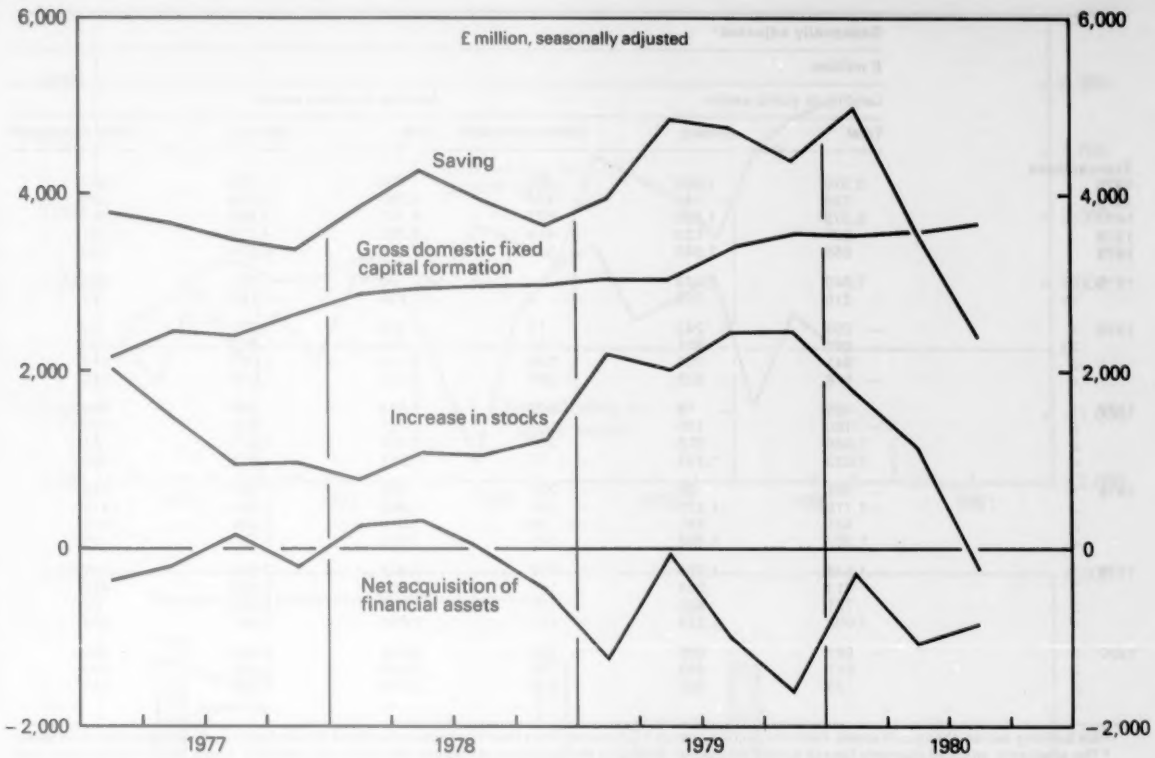
[2] The seasonal factors applied to the series for borrowing and acquisition of financial assets do not always sum to zero over a calendar year because day-of-week adjustments have been applied. The sum of quarterly and half-yearly figures may therefore differ from the annual totals shown.

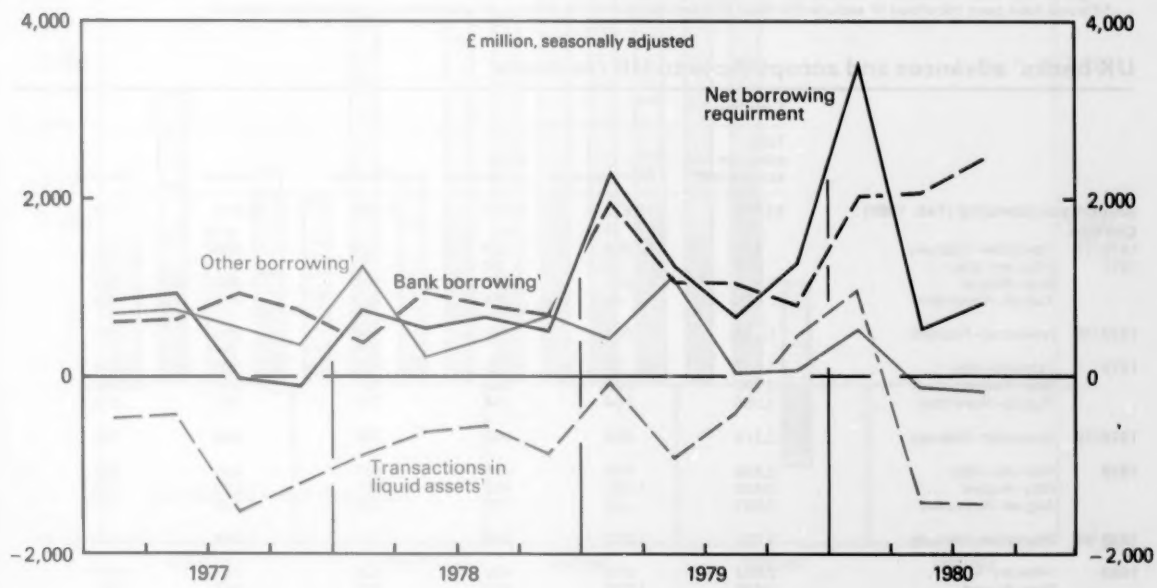
[3] Following the sign convention adopted for the net borrowing requirement a surplus on the net acquisition of financial assets is shown with a negative sign – the reverse of the sign convention used in the table above.

[4] Retained abroad (+) or in the United Kingdom (−).

[5] Including accruals adjustment (−).

[6] Cash expenditure on acquiring subsidiaries and on trade investment in the United Kingdom.


£ million, seasonally adjusted
6,000
4,000
2,000
0
−2,000
Saving
Gross domestic fixed capital formation
Increase in stocks
Net acquisition of financial assets
1977
1978
1979
1980


£ million, seasonally adjusted
4,000
2,000
0
−2,000
Net borrowing requirment
Other borrowing'
Bank borrowing'
Transactions in liquid assets'
1977
1978
1979
1980

UK Banks' lending[1] to UK residents

Seasonally adjusted[2]

£ million

		Lending to public sector			Lending to private sector		
		Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions							
1975		3,379	3,096	283	124	— 373	497
1976		288	— 146	434	3,387	3,138	249
1977		2,378	1,696	682	4,707	3,492	1,215
1978		— 291	123	— 414	5,791	4,710	1,081
1979		955	1,540	— 585	9,484	8,576	908
1975	*3*	1,649	1,649	—	— 70	— 322	252
	4[5]	216	219	— 3	— 139	— 186	47
1976	*1*	— 259	— 242	17	308	372	— 64
	2	— 557	— 611	54	595	675	— 80
	3	941	783	158	1,170	1,017	153
	4	— 118	— 323	205	1,313	1,073	240
1977	*1*	485	— 18	503	1,013	459	554
	2	— 190	— 190	—	1,035	875	160
	3	1,065	816	249	1,379	1,318	61
	4	1,033	1,103	— 70	1,281	841	440
1978	*1*	— 201	28	— 229	996	797	199
	2	—1,715	—1,475	— 240	1,868	1,393	475
	3	431	491	— 60	1,614	1,299	315
	4	1,207	1,092	115	1,313	1,221	92
1979	*1*	—1,548	—1,396	— 152	2,923	2,632	291
	2	413	564	— 151	2,555	2,070	485
	3	731	882	— 151	2,312	2,284	28
	4	1,093	1,224	— 131	1,691	1,587	104
1980	*1*	— 867	— 685	— 182	3,035	2,645	390
	2	517	495	22	3,542	3,549	993
	3	30	452	— 422	3,794	3,654	140
	4						

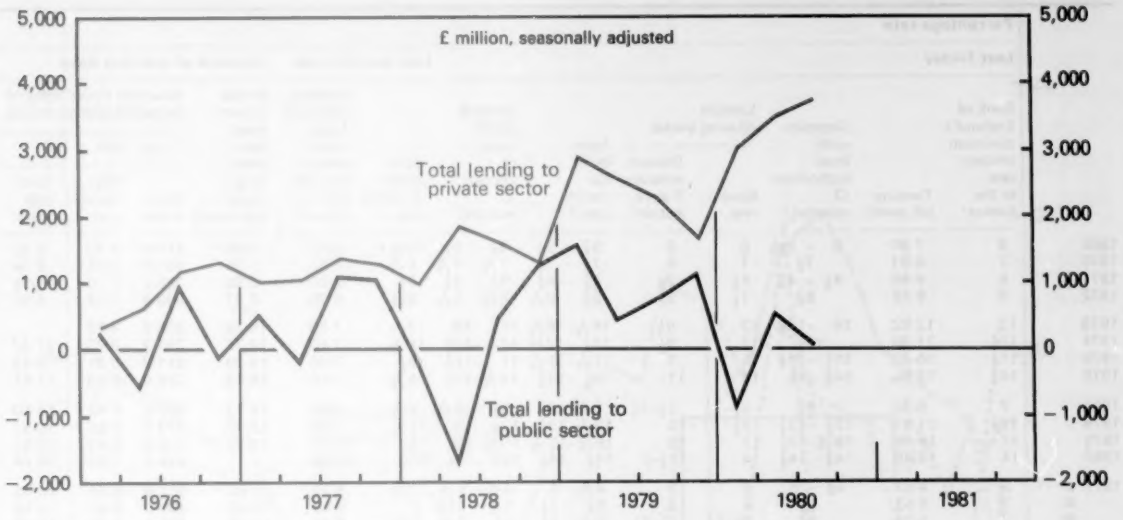
[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effects of the introduction of new statistical returns.
[5] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.

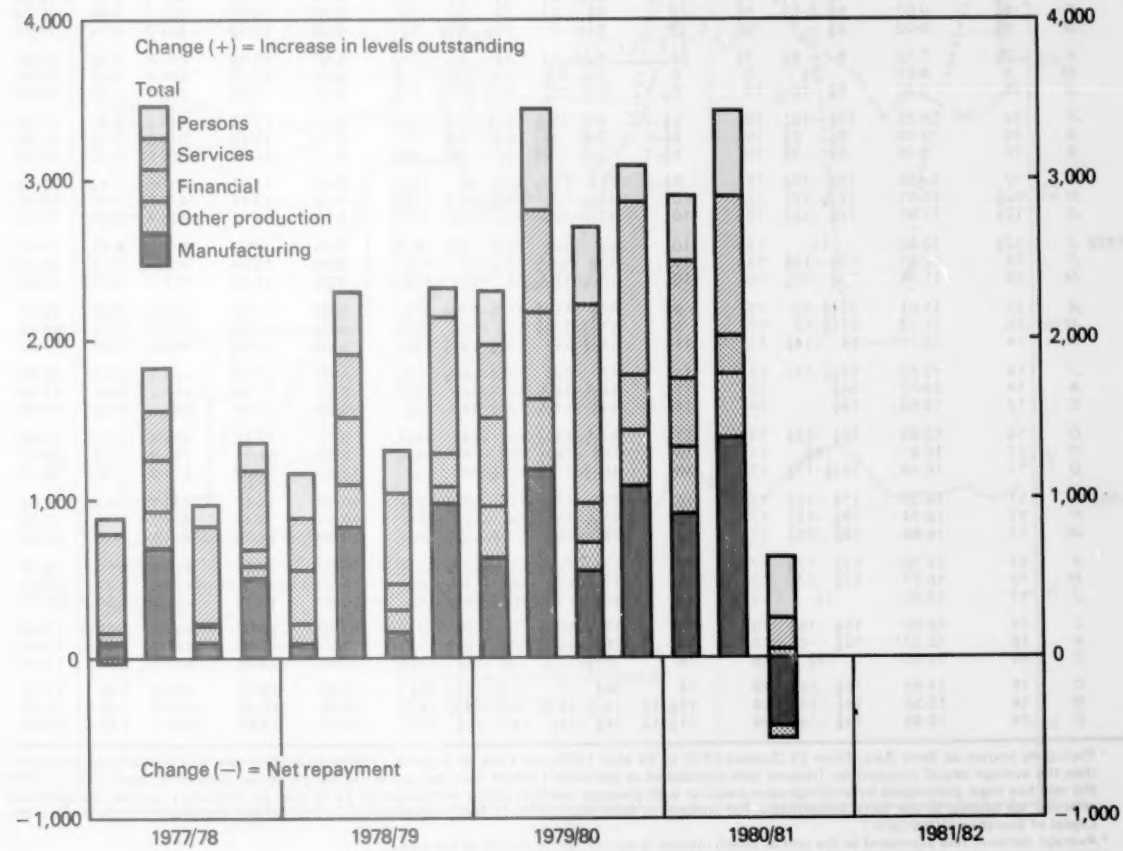
UK banks' advances and acceptances to UK residents[1]

£ million

		Total advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (Feb. 1980):		57,517	15,822	6,375	9,585	18,012	7,723
Changes							
1976/77	November–February	880	408	223	—128	359	20
1977	February–May	865	91	64	— 22	634	99
	May–August	1,826	693	227	323	298	286
	August–November	965	95	104	2	629	133
1977/78	November–February	1,343	503	75	94	510	162
1978	February–May	1,147	79	135	338	322	274
	May–August	2,290	826	262	421	394	388
	August–November	1,295	164	144	156	567	265
1978/79	November–February	2,316	969	102	199	866	180
1979	February–May	2,299	633	331	531	465	337
	May–August	3,459	1,182	432	551	637	655
	August–November	2,693	543	181	248	1,239	483
1979/80	November–February	3,081	1,072	348	341	1,098	222
1980	February–May	2,864	910	406	428	737	414
	May–August	3,438	1,370	417	233	867	551
	August–November	122	—428	44	— 80	198	389

[1] For a more detailed breakdown of these figures see Financial Statistics Tables 6.17–6.19. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.


£ million, seasonally adjusted
Total lending to private sector
Total lending to public sector
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
1976
1977
1978
1979
1980
1981


Change (+) = Increase in levels outstanding
Total
Persons
Services
Financial
Other production
Manufacturing
Change (—) = Net repayment
4,000
3,000
2,000
1,000
0
−1,000
1977/78
1978/79
1979/80
1980/81
1981/82

Interest rates, security prices and yields

Percentage rate

	Last Friday							Last working day		Average of working days			
				London clearing banks							*Financial Times* index of industrial ordinary shares		
											1 July 1935 = 100		
	Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	Base rate	Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities: long dated (20 years)	Price index	Dividend yield	Earnings yield[7]
1969	8	7·80	9 – 9 1/16	8	6	9 3/8 – 9 1/2	9 1/4 – 9 1/2	10 1/16 †	5·00	9·05	419·8	4·43	5·82
1970	7	6·93	7 1/4	7	5	7 1/8 – 7 1/4	7 3/16 – 7 5/16	6 7/16	5·00	9·25	361·0	4·75	6·54
1971	5	4·46	4 1/2 – 4 5/8	4 1/2	2 1/2	4 3/8 – 4 1/2	4 3/8 – 4 1/2	5 3/8	5·00	8·90	386·2	4·76	6·21
1972	9	8·48	8 3/4	7 1/2	5 1/2	8 7/16 – 9 1/16	8 1/16 – 9 1/16	5 23/32	5·25	8·97	503·8	3·26	4·98
1973	13	12·82	16 –16 1/2	13	9 1/2	16 1/16–16 3/16	15 3/4 –16	10 7/16	7·50	10·78	435·6	4·12	..
1974	11 1/2	11·30	13 1/2	12	9 1/2	12 1/16–12 1/8	12 1/8 –12 1/4	10 1/16	7·50	14·77	251·2	8·23	21·47
1975	11 1/2	10·93	11 1/2 –11 3/4	11	7	11 1/16–11 3/16	11 –11 1/8	5 3/8	7·00	14·39	311·0	6·81	19·49
1976	14 1/4	13·98	14 3/4 –15	14	11	14 1/8 –14 3/8	14 1/16–14 1/8	5 1/16	7·80	14·43	268·0	5·96	17·61
1977	7	6·39	6 3/4	6 3/4–7 1/2	3 1/4–4 1/2	6 5/16– 6 3/8	6 3/8 – 6 7/16	7 7/16	6·00	12·73	452·3	5·42	16·50
1978	12 1/2	11·91	12 3/4 –12 1/2	12 1/2	10	12 5/16–12 3/8	12 3/8 –12 1/2	11 11/16	8·00	12·47	479·4	5·65	16·47
1979	17	16·48	16 1/16–17 1/8	17	15	16 1/16–17 1/16	16 1/16–16 1/8	14 1/4	10·50	12·99	475·5	6·49	16·61
1980	14	13·45	14 1/8 –14 3/8	14	11 1/2–2	14 1/8 –14 1/4	14 1/8 –14 1/4	17 1/2	10·50		464·5	7·62	18·14
1977 *O*	5	4·53	4 3/4 – 5	6	3	4 7/16– 5	4 7/16– 4 1/2	7 11/16	6·70	10·98	511·9	5·26	15·55
N	7	6·53	6 3/4	6	3	6 1/4 – 7 1/4	6 3/8 – 6 1/2	7	6·00	11·28	480·5	5·56	16·72
D	7	6·39	6 3/4	6 3/4–7 1/2	3 1/4–4 1/2	6 7/16– 6 3/8	6 3/8 – 6 7/16	7 7/16	6·00	11·16	481·6	5·56	16·83
1978 *J*	6 1/2	5·85	6 1/4 – 6 7/16	6 1/2	3	6 7/16– 6 1/2	6 1/2 – 6 1/2	7 13/16	6·00	11·06	482·3	5·57	16·96
F	6 1/2	6·07	6 3/8 – 6 1/2	6 1/2	3	6 3/8 – 6 7/16	6 3/8 – 6 3/8	7 1/2	5·50	11·75	457·9	5·85	17·74
M	6 1/2	6·02	6 5/16– 7	6 1/2	3	6 1/2– 7	6 1/2– 6 11/16	7 1/2	5·50	11·72	454·9	5·94	17·51
A	7 1/2	7·12	8 – 8 1/4	7 1/2	4	8 7/16– 8 1/2	8 1/2 – 8 1/2	7 11/16	5·50	12·39	460·9	5·85	17·25
M	9	8·67	9 1/4	9	6	9 7/16–9 7/16	9 7/16– 9 1/2	7 11/16	5·50	12·72	476·6	5·58	16·86
J	10	9·49	9 7/8 –10 1/16	10	6 1/2–7	10 1/16–10 1/8	9 11/16–10 1/16	8 11/16	5·50	12·79	466·1	5·68	16·65
J	10	9·33	10 1/4 –10 1/2	10	6 1/2–7	9 11/16–10 7/16	9 11/16– 9 11/16	8 13/16	6·70	12·72	472·2	5·62	17·06
A	10	9·03	9 1/2 – 9 3/4	10	6 1/2–7	9 7/16– 9 1/2	9 7/16– 9 7/16	9	6·70	12·55	508·8	5·28	15·88
S	10	9·38	9 3/4 – 9 3/4	10	6 1/2–7	9 7/16– 9 11/16	9 1/2 – 9 3/4	9 15/16	6·70	12·64	516·0	5·21	15·02
O	10	10·56	10 3/4 –10 7/8	10	6 1/2–7	10 3/8 –11 1/16	10 11/16–11	11 1/16	6·70	12·91	497·5	5·42	15·09
N	12	11·91	12 7/16–12 1/2	12	10	12 7/16–12 1/2	12 7/16–12 7/16	11 3/4	6·70	13·16	476·9	5·86	15·86
D	12	11·91	12 3/4 –12 1/2	12	10	12 7/16–12 3/8	12 3/8 –12 1/2	11 11/16	8·00	13·22	482·4	5·98	15·73
1979 *J*	12	12·46	13	12	10	13 –13 1/16	12 15/16–12 11/16	10 7/16	8·00	13·68	474·1	6·10	16·01
F	14	12·61	13 1/4 –13 3/8	13	11	12 7/8 –13 1/16	12 11/16–13	10 3/8	8·00	13·94	460·2	6·18	16·16
M	13	11·78	12 3/8 –12 1/2	13	10 1/2	12 7/16–12 7/16	12 –12 1/8	10 3/16	8·00	12·35	511·5	5·53	14·54
A	12	11·61	11 11/16–12	12	9 1/2	11 3/4 –11 13/16	11 7/16–11 11/16	10 7/16	8·00	11·68	537·4	5·37	14·31
M	12	11·79	11 11/16–12	12	9 1/2	11 13/16–11 13/16	11 3/4 –11 7/8	10 7/16	8·00	11·94	528·5	5·56	14·90
J	14	13·71	14 –14 1/4	14	11 1/2	13 11/16–14 1/8	13 11/16–13 15/16	10 31/32	8·00	12·69	489·5	5·93	15·82
J	14	13·82	14 1/16–14 1/8	14	11 1/2	14 –14 1/8	13 11/16–14 1/16	11 1/32	8·00	12·25	468·3	8·62	16·92
A	14	13·77	14 1/2	14	11 1/2	14 3/16–14 5/16	14 1/16–14 1/4	12 7/16	8·75	12·30	467·2	6·95	17·46
S	14	13·88	14 1/2	14	11 1/2	14 1/8 –14 5/16	13 15/16–14 1/8	12 7/8	8·75	12·60	468·4	6·95	17·75
O	14	13·83	14 1/2 –14 3/4	14	11 1/2	14 3/16–14 1/2	14 1/4 –14 3/8	15 13/16	8·75	13·16	465·4	7·13	17·55
N	17	16·8	16 7/8	17	15	16 1/4 –16 1/2	16 1/8 –16 1/4	14 7/16	8·75	14·54	415·9	7·88	19·07
D	17	16·49	16 11/16–17 1/8	17	15	16 11/16–17 1/16	16 11/16–16 7/8	14 1/2	10·50	14·72	419·8	7·70	18·78
1980 *J*	17	16·38	17 1/8 –17 3/8	17	15	17 1/8 –17 1/4	17 1/8 –17 11/16	14 13/16	10·50	14·17	440·7	7·43	18·42
F	17	16·74	18 1/8 –18 3/8	17	15	18 1/16–18 1/8	18 –18 1/8	16 13/16	10·50	14·45	460·7	7·17	17·64
M	17	16·89	18 1/4 –18 1/2	17	15	18 1/8 –18 1/8	17 11/16–18 1/16	19 11/16	10·50	14·70	440·8	7·75	19·26
A	17	16·79	17 1/4 –17 3/8	17	15	17 1/4 –17 7/16	17 1/16–17 3/16	13 11/16	10·50	14·27	435·5	8·04	19·73
M	17	16·77	17 1/8 –17 1/4	17	15	17 –17 1/8	16 7/8 –17 1/16	9 1/4	10·50	14·01	432·4	8·21	20·05
J	17	16·37	17	17	15	16 3/4 –17	16 11/16–16 7/8	9 1/2	10·50	13·78	451·2	7·96	19·20
J	16	15·06	15 1/4 –15 3/8	16	14	15 3/16–15 5/16	15 1/4 –15 3/8	9 13/16	10·50	13·07	488·5	7·42	17·96
A	16	15·37 †	16 1/8 –16 1/4	16	14	16 1/8 –16 1/16	16 1/16–16 1/16	12 1/4	10·50	13·58	484·9	7·48	17·68
S	16	14·65	15 3/8	16	14	15 11/16–17 3/8	15 3/8 –15 1/2	13 11/16	10·50	13·38	491·7	7·45	17·28
O	16	14·86	16 3/8 –16 1/2	16	14	16 3/8 –17	16 5/16–16 11/16	15 1/2	10·50	13·12	483·8	7·59	17·14
N	14	13·38	14 1/4 –14 3/8	14	11 1/2–12	14 7/16–14 11/16	14 5/16–14 7/16	18 5/16	10·50	13·22	493·4	7·35	16·43
D	14	13·45	14 3/8 –14 7/8	14	11 1/2–12	14 3/8 –14 7/16	14 3/8 –14 3/8	17 3/4	10·50	13·67	470·1	7·56	16·93

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ½% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics* (*HMSO*).

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

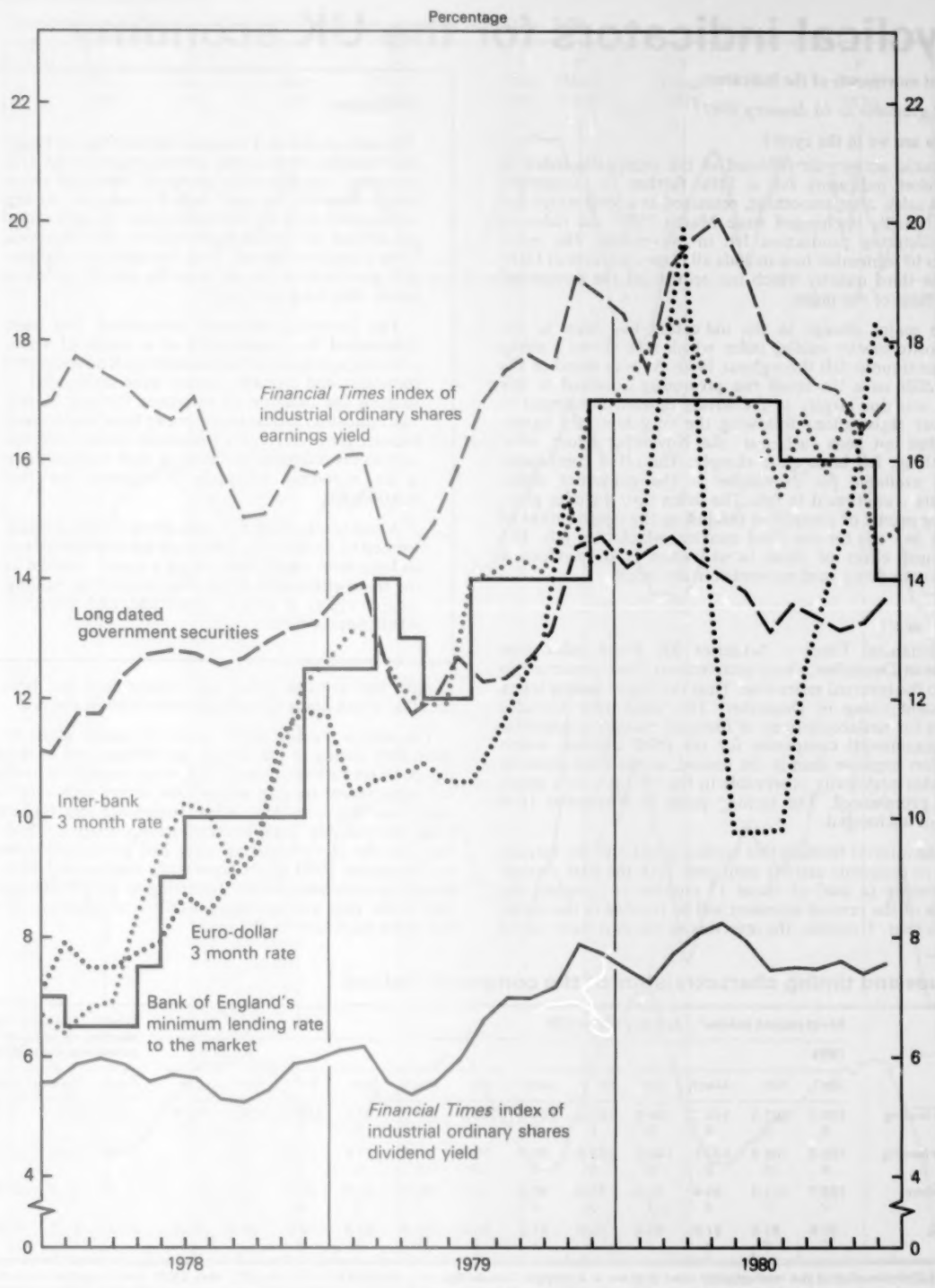
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
22
20
18
16
14
12
10
8
6
4
0
Financial Times index of industrial ordinary shares earnings yield
Long dated government securities
Inter-bank 3 month rate
Euro-dollar 3 month rate
Bank of England's minimum lending rate to the market
Financial Times index of industrial ordinary shares dividend yield
1978
1979
1980

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 16 January 1981)

Where are we in the cycle?

Economic activity as reflected in the composite index of *coincident* indicators fell a little further in November. Retail sales, after smoothing, remained at a level which has been broadly unchanged since March 1980; the index of manufacturing production fell in November. The index figures to September now include all three measures of GDP for the third quarter which has reinforced the downward movement of the index.

The major change in the indicators has been to the composite *shorter leading* index which now shows a sharp and continuous fall throughout 1980. As was noted in the December issue the small rise previously observed in this index was due largely to the strong upward movement in new car registrations following the very low July figure. This has not been sustained: the November figure, after smoothing, fell back quite sharply. The other component series available for November – the consumer credit measure – continued to fall. The index now includes gross trading profits of companies (excluding the contribution of North Sea oil) for the third quarter, which also fell. The combined effect of these latest values is to produce a continuous downward movement in the index.

Where next?

The Financial Times – Actuaries 500 Share index rose further in December; short term interest rates continued to fall, so the inverted series rose. Thus the *longer leading* index continued rising in December. The index now includes figures for net acquisitions of financial assets by industrial and commercial companies for the third quarter, which were less negative than in the second, so the fluctuation in the index previously observable in the spring is now much more pronounced. The turning point in November 1979 remains unchanged.

If the interval between this turning point and the turning point in economic activity conforms with the past *average* relationship (a lead of about 15 months at troughs), the trough of the present recession will be reached in the spring of this year. However, the intervals in the past have varied around this average value: the longest lead has been 23 months, which place the trough much later in the year.

The *shorter leading* index is not yet much guide to the most likly timing of the trough. Its average lead in the past has been six months overall and seven months at troughs, but some recent turning points have shown only very short leads over the coincident index, suggesting that the underlying relationship may perhaps have changed. Thus the fact that the shorter leading index had not turned upwards by November 1980 is not necessarily inconsistent with the trough in economic activity occurring as early as the spring. But if the past average relationship is maintained, it will not come until later in the year.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

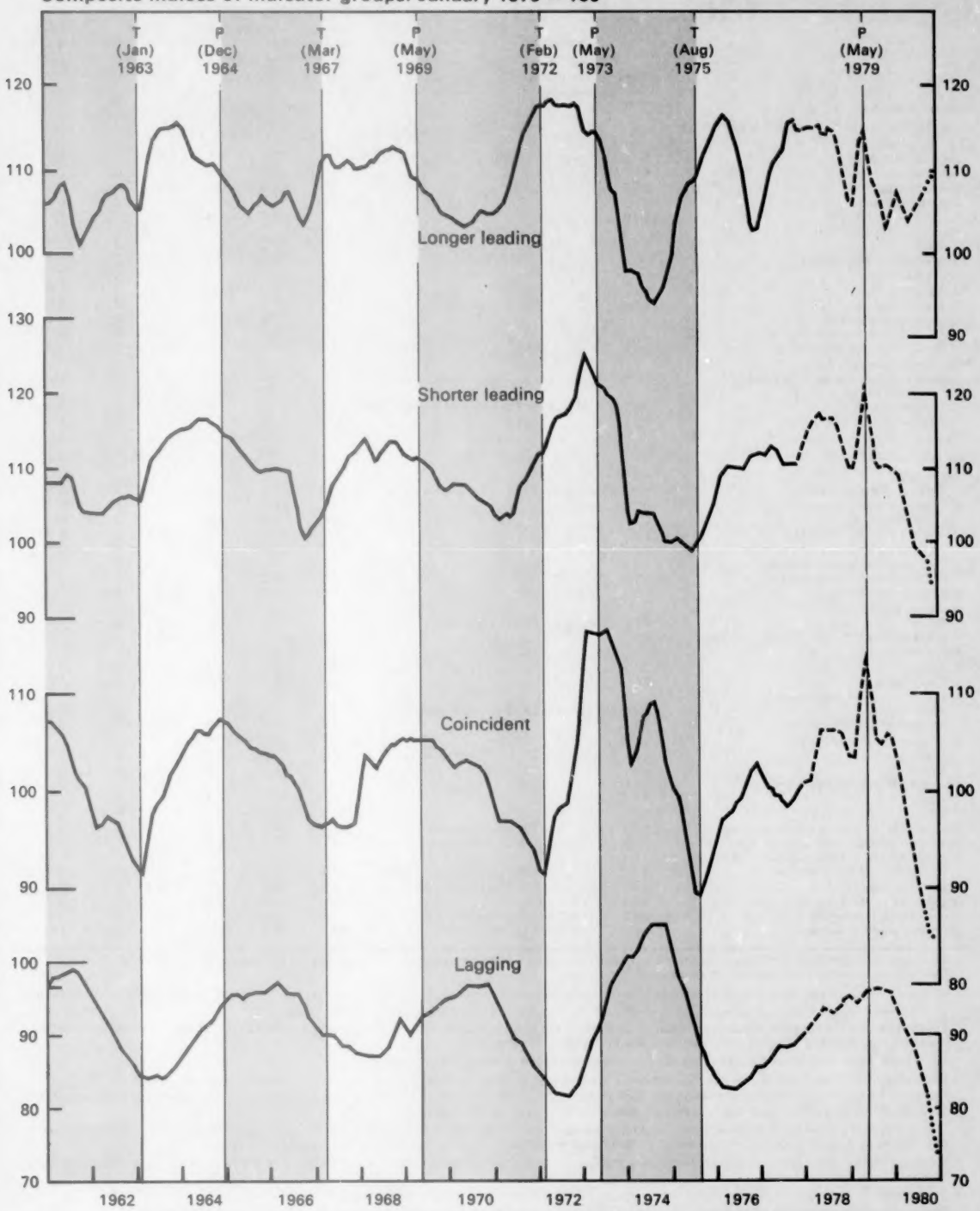
	Most recent values[2] January 1975 =100												Lead (−) or lag (+) in months relative to reference cycle dates		
	1980														
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Mean	Earliest	Latest
Longer leading ..	105·7	107·3	105·8	104·8	103·6	104·6	105·4	106·3	107·0	108·0	108·9	109·5	−13	−23	− 7
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*3*	*2*			
Shorter leading ..	109·3	108·9	107·1	105·2	102·2	99·9	99·0	98·3	97·8	97·4	94·2		− 6	−12	− 2
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*				
Coincident ..	103·7	101·9	99·4	96·9	95·0	93·2	91·2	88·6	87·3	85·4	84·9		+ 1	− 2	+ 5
	7	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*4*	*2*				
Lagging	93·5	91·9	91·0	89·8	88·9	87·3	85·4	83·2	82·2	79·0	75·6	73·3	+10	+ 3	+18
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

Cyclical indicators

Composite indices of indicator groups. January 1975 = 100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1980	1·5	1·0	0·8	1·3	2	0·6
Income based	6	" " " " " " "	1·2	0·8	0·8	1·0	2	0·4
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·7	0·7	1·0	2	0·4
Consumers' expenditure	8,10	" " " " " " "	1·3	0·9	0·8	1·1	2	0·5
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·5	1·0	1·5	2	0·7
Manufacturing industry	18	" " " " " " "	3·5	2·4	2·1	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·5*	*152·0*	*125·0*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*151·4*	*103·2*	*84·8*	1·2	2	0·6
Exports: goods and services	8	" " " " " " "	3·3	2·7	1·8	1·5	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	2·1	1·7	1·3	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·0	1·3	0·8	1	0·8
Other national income series								
Gross trading profits of companies	60	" " " " " " "	5·2	2·8	4·0	0·7	1	0·7
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1980	2·2	1·2	1·5	0·8	1	0·8
Public sector borrowing requirement[3]	56	" " 1971 " " " "	*542·4*	*397·1*	*224·2*	1·8	2	0·7
Monthly series								
Retail sales								
Total: current prices	12	January 1971 to December 1979	1·8	1·3	1·1	1·2	2	0·6
Total: constant prices	5,12	" " " " "	1·4	1·3	0·3	4·1	5	0·9
Food retailers	12	" " " " "	0·7	0·6	0·3	2·1	3	0·7
Mixed retail businesses	12	" " " " "	1·5	1·3	0·5	2·6	3	0·9
Clothing and footwear retailers	12	" " " " "	2·0	1·9	0·4	4·6	5	0·9
Household goods retailers	12	" " " " "	2·0	1·6	0·9	1·9	3	0·7
Other non-food retailers	12	" " " " "	1·2	1·0	0·5	2·0	3	0·7
Cars: new registrations	12	January 1971 to December 1979	9·9	9·9	0·9	10·7	6	
Housing: public authorities[4]								
Starts	20	January 1956 to December 1979	11·9	11·6	1·7	6·8	6	
Completions	20	" " " " "	7·9	7·8	1·2	6·5	6	1·0
Housing: private								
Starts	20	" " " " "	8·6	8·3	2·4	3·5	4	0·9
Completions	20	" " " " "	6·2	6·1	1·0	6·1	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to September 1980	1·1	1·0	0·5	1·8	3	0·8
Manufacturing industries	26	" " " " "	1·5	1·3	0·6	2·3	3	0·9
Passenger car production:								
Home market	32	January 1968 to December 1979	12·9	12·7	2·2	5·7	6	
Export	32	" " " " "	11·9	11·7	1·0	11·7	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·7	9·5	1·7	5·6	6	
Export	32	" " " " "	10·4	10·0	2·1	4·9	6	0·9
Unemployed excluding school-leavers[5]	5,36	January 1961 to December 1979	*13·2*	*4·5*	*11·9*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to December 1979	*5·8*	*2·4*	*5·2*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1979	1·0	0·4	1·0	0·4	1	0·4
Exports: value, f.o.b.[7]	48	January 1963 to March 1980	4·8	4·5	1·4	3·3	4	0·9
Imports: value, f.o.b.[7]	48	" " " " "	4·4	4·1	1·4	2·9	4	0·7
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

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National income and expenditure in the third quarter of 1980*

Gross domestic product

The three measures of gross domestic product all fell in the third quarter of 1980, reflecting the continued decline in activity in industrial production and services. The output-based measure, usually considered the best indicator of short-term movement, fell by 2 per cent between the second and third quarters of 1980.

Taking the second and third quarters together GDP at constant factor cost, as shown by the average of the three measures, was about 2¼ per cent down on the previous two quarters. The fall in terms of constant market prices was slightly more, at 3¼ per cent; but real national disposable income fell by only 2 per cent. The difference of 1½ per cent is a measure of the extent to which changes in the terms of trade have cushioned the impact of falling output on the real income of the country. The change in the terms of trade means that a given volume of exports in the last two quarters could be exchanged for a greater volume of imports than in the previous 6 months.

The implied index of total home costs increased by 18 per cent between the third quarter of 1979 and the same quarter of 1980.

* This article presents quarterly estimates of national income and expenditure up to the third quarter of 1980. Estimates of the components of GDP in constant prices are given here in terms of average 1975 prices.

Provisional summary measures of GDP were first issued on 19 December 1980. Minor revisions were incorporated in the national income and expenditure press notice issued on 12 January 1981.

Many of the component series of GDP(E) and GDP(O) are derived at constant 11975 prices by revaluing current price data. When prices are changing rapidly the problems associated with this revaluation become acute. For this reason, the estimate for periods since about the end of 1973 should be regarded as subject to wider margins of error than in earlier years.

A general description of national income statistics, together with details of sources, methods and definitions used, is given in *National Accounts Statistics: Sources and Methods* (HMSO, 1968). Subsequent changes are described in the notes to the 1980 Blue Book.

All commentary is in terms of seasonally adjusted data.

Expenditure at constant 1975 prices (Table 1)

A fall of 2 per cent in domestic demand (total final expenditure less exports) between the second and third quarters of 1980 was reflected mainly in a sharp reduction in stocks and a further fall in fixed investment. The volume of exports of goods and services fell by 1½ per cent, whilst imports fell by 6 per cent. The fall in the volume of imports was one of the largest recorded. After adjusting for taxes on expenditure, together with subsidies, through the factor cost adjustment, the fall in gross domestic product at constant factor cost was about 2 per cent.

Gross domestic product at factor cost, total home costs, and national disposable income revalued at constant market prices[1]

TABLE A

		Seasonally adjusted							
		Index numbers, 1975 =100							
		Gross domestic product							
		At current prices		At 1975 prices					
		Based on expenditure data	Based on income data	Based on expenditure data	Based on income data[2]	Based on output data	Average estimate	Implied index of total home costs	National disposable income at 1975 market prices[3]
1976		118·4	116·8	104·3	102·9	102·3	103·2	113·5	102·8
1977		134·2	133·5	105·4	104·8	104·9	105·0	127·4	103·8
1978		153·7	153·2	108·5	108·1	108·4	108·3	141·7	109·0
1979		175·0	175·2	109·6	109·7	110·7	110·0	159·6	111·9
1977	*1*	127·4	128·3	103·9	104·6	104·9	104·4	122·7	102·9
	2	131·5	132·3	105·0	105·5	104·3	105·0	125·3	
	3	136·5	135·1	105·1	104·0	104·9	104·6	129·9	104·7
	4	141·5	138·1	107·5	104·9	105·5	106·0	131·5	
1978	*1*	146·7	145·1	107·1	105·9	106·6	106·6	137·0	108·1
	2	152·1	152·4	109·0	109·2	108·5	108·9	139·6	
	3	156·7	156·0	108·6	108·1	109·2	108·6	144·3	110·0
	4	159·4	159·4	109·3	109·3	109·1	109·2	145·9	
1979	*1*	160·4	162·5	107·2	108·6	108·7	108·1	149·7	111·7
	2	174·7	173·3	111·9	111·0	112·5	111·8	156·0	
	3	179·3	178·2	109·2	108·6	110·5	109·4	164·2	112·2
	4	185·5	186·8	110·1	110·8	111·0	110·7	168·5	
1980	*1*	190·1	193·8	109·0	111·1	110·1	110·1	174·4	111·5
	2	200·9	200·6	108·3	108·2	108·3	108·3	185·4	
	3	206·3	207·5	106·4	107·0	106·2	106·5	193·9	..

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the index of total home costs derived from expenditure data.
[3] Half yearly estimates only.

Changes in personal income

TABLE B

	Percentage growth of seasonally adjusted data				
	Increase on preceding quarter				
	1979	1980			Increase of Q3 1980 on Q3 1979
	4	1	2	3	
Total personal income	5·7	3·3	4·6	4·3	19·3
of which:					
Wages and salaries[1]	4·7	3·6	5·0	4·4	18·9
Employers' contributions	4·4	3·2	8·7	4·9	22·9
Current grants from general government	8·2	5·4	3·6	4·4	23·5
UK taxes on income	−1·6	13·0	2·8	5·4	20·6
National insurance etc. contributions	4·5	1·7	12·3	2·8	22·7
Total personal disposable income	7·0	2·1	4·3	4·3	18·8
Real personal disposable income	3·9	− 1·6	− 0·1	1·9	4·1

[1] Including forces' pay

There was little change in the volume of consumers' expenditure or of general government consumption between the second and third quarters. However, taking the two quarters together, the level of government consumption was 1 per cent higher than the average for the financial year 1979/80.

The volume of fixed investment which had fallen by 2 per cent in the second quarter fell by a further 2½ per cent in the third. Investment by the manufacturing industries and that in dwellings both fell, for the third successive quarter.

Income at current prices (Table 2)

Total domestic income rose by 2 per cent between the second and third quarters of 1980. Income from employment, the largest component, rose by 4½ per cent, following a rise of 5½ per cent in the previous quarter. These increases overstate the underlying rise in incomes during 1980 since wages and salaries were depressed by the dispute at British Steel in the first quarter and inflated by back pay for some public service workers in the third. The gross trading surpluses of public corporations recovered somewhat in the third quarter after the large fall in the previous quarter. The gross trading profits of companies fell in both the second and third quarters of 1980.

Output at constant 1975 *prices* (Table 3)

The output measure of GDP fell by 2 per cent in the third quarter following a fall of 1½ per cent in the second quarter of 1980. The sharpest decline came in industrial production which fell 4 per cent in the third quarter. Within industrial production manufacturing output was 4 per cent lower and construction output 6 per cent lower. Output of the distributive trades fell by 2 per cent but that of other services declined less steeply. The output of agriculture, forestry and fishing in the first three quarters of 1980 was about 9 per cent higher than in the corresponding period of 1979, largely reflecting a greatly improved cereals harvest.

Personal income, expenditure and saving (Tables 4 and 5)

The United Kingdom wages and salaries bill rose by 4½ per cent between the second and third quarters of 1980 following a rise of 5 per cent in the previous quarter. The wages and salaries estimate for the third quarter reflects the back-pay received by some public sector workers in September. The rate of growth of total pay in 1980 was retarded by significant falls in employment. In particular there has been a sharp contraction in employment in manufacturing industry, with a fall of 3 per cent in employment between the second and third quarters of 1980.

Table B shows the quarterly movements in components of personal disposable income. Personal disposable income rose by 4½ per cent in the third quarter and was 19 per cent higher than in the third quarter of 1979. These changes are similar to those recorded for total personal income before tax.

Quarter-to-quarter movements in real personal disposable income are highly influenced by changes in taxation and the up-rating of government benefits. Real personal disposable income in the six months to the end of September was 2½ per cent higher than the average levels recorded for 1979. This stands in contrast to the fall in real national disposable income of 1½ per cent over the same period.

The saving ratio in the third quarter of 1980 was 17 per cent - about 2 per cent higher than in the second quarter of 1980.

The volume of consumers' expenditure was little changed in the third quarter following the sharp fall in the second quarter from the high level in the first. Taking these three quarters together, consumers' expenditure was nonetheless ¾ per cent higher than in the first three quarters of 1979.

The volume of expenditure on beer was some 8 per cent lower in the six months to the end of September than in the previous six month period; demand for fuel and light was 4 per cent lower than in the previous six months and the same comparison for expenditure on motor vehicles shows a 15 per cent reduction. Trends in spending on wines and spirits were masked by pre-budget spending in 1980; however the volume of spending in the first three quarters as a whole was down by 3 per cent compared with the same period in 1979.

Industrial and commercial companies (Table 6)

In the six months ending September 1980, gross trading

Gross trading profits of industrial and commercial companies, net of stock appreciation

TABLE C

	Seasonally adjusted £ million									
	1978	1979	1978	1979				1980		
			4	1	2	3	4	1	2	3
Gross trading profits of North Sea oil and gas (MLH 104)	2,330	4,710	690	910	1,080	1,320	1,400	1,680	1,710	1,600
Gross trading profits excluding North Sea oil and gas	17,000	16,110	4,080	3,560	4,420	3,950	4,180	4,120	3,910	3,600
Total	19,330	20,820	4,770	5,470	5,500	5,270	5,580	5,800	5,620	5,200

profits, before deduction of stock appreciation, fell by 17 per cent over the previous six month period. Stock appreciation, however, almost halved and was particularly low in the third quarter; net of stock appreciation, gross trading profits fell by 5 per cent. Excluding North Sea oil, profits net of stock appreciation fell by 9 per cent between the two half-year periods.

After steadily rising since 1975, the profits of companies engaged in North Sea oil and gas production were less buoyant in 1980. In the third quarter of 1980 profits fell by 6 per cent as a result of decreases in both the volume of oil and gas sold and in the average price for the oil sold. The fall in volume resulted from continuing maintenance work on the platforms, whereas the decrease in price stemmed from the appreciation of sterling against the dollar when oil prices in terms of dollars were relatively stable. Between the two six-month periods ending in March and September, profits of North Sea oil companies rose by 7 per cent.

Rent and non-trading income of industrial and commercial companies rose by 2 per cent between the six months ending in March and September. Income from abroad during the second and third quarters of 1980 was 25 per cent down on the previous six-month period because of lower receipts from oil companies.

Total income was about 16 per cent lower in the six months to the end of September than in the preceding six-month period. However payments of dividends and interest rose 6 per cent over this period and taxes on income rose 4 per cent. Thus, although profits due abroad fell by 10 per cent, payments out of company income rose by 2 per cent over this period. Undistributed income in the six months to the end of September was therefore about 35 per cent down on the previous six-month period.

Financial companies and institutions (Table 8)

Total income of financial companies levelled off in the third quarter reflecting a slight fall in interest rates. During the six months to the end of September it was 20 per cent higher than in the previous six-month period. Rent and non-trading income of banks and building societies rose by 13 per cent and 17 per cent respectively due to higher levels of advances. Income from abroad almost doubled because of bank earnings on euro-currency transactions. There were increases also in payments by banks and building societies (up 19 per cent and 13 per cent respectively) and also in profits due abroad, up 33 per cent. Overall, undistributed income in the six months ending September 1980 rose by 43 per cent due mainly to the increased income of banks.

Public corporations (Table 9)

The gross trading surplus of public corporations (before allowing for depreciation and stock appreciation) rose by about 10 per cent in the third quarter, following the 20 per cent fall in the previous quarter. Stock appreciation fell rapidly after the first quarter of the year; measured after deducting stock appreciation the surplus in the third quarter recovered fully to the level of the first. Taking the first three quarters together the surplus after deducting stock appreciation was 10 per cent higher than in the first three quarters of 1979.

Central government (Table 10)

Total central government receipts rose by 7½ per cent in the third quarter of 1980 following a fall of ½ per cent in the previous quarter. Taxes on income increased sharply in the third quarter, due to increased revenue from PAYE, corporation tax and petroleum revenue tax. Taxes on expenditure rose less steeply, and this increase was largely a reflection of low receipts of the second quarter following the pre-Budget boom in consumers' expenditure on wine, spirits and tobacco in the first quarter.

Total current expenditure rose by 5 per cent in the third quarter of 1980 following a rise of 7 per cent in the previous quarter. Total final consumption rose by 7 per cent, partly as a result of pay rises and increased defence spending. Payments of current grants abroad fell in the third quarter and for the first half of the financial year 1980/81 were only 7 per cent higher than the average level in the last financial year, the increase in the net contribution to the European Community only being partially offset by a reduction in other current grants abroad. (The first instalment of the special refunds for the UK, agreed on 30 May 1980, were not received until December 1980.)

Local authorities (Table 11)

Total current receipts of local authorities rose 4 per cent in the third quarter, but current expenditure rose by 8 per cent, mainly as a result of the pay increase and the back pay paid to teachers in September. Thus the surplus of income over expenditure fell from about £380 million to £150 million.

Between the financial year 1979/80 and the first half of the financial year 1980/81, the average level of receipts rose 16 per cent. On the same basis rate receipts rose by 21 per cent and current grants from central government by 14 per cent. Current expenditure rose 17 per cent, within which final consumption rose by 15 per cent and debt interest payments by 22 per cent.

International transactions (Table 12)

The volume of exports of goods and services fell by 1½ per cent in the third quarter, whilst imports fell by 6 per cent. The 7 per cent fall in the volume of imports of goods was due to a 35 per cent fall in iron and steel imports following the surge of imports delivered in the second quarter having been ordered in the first quarter during the dispute at British Steel. Imports of services fell by 1 per cent in volume; all the major categories of imports of services, with the exception of travel, showed falls.

Gross domestic fixed capital formation at constant 1975 prices (Tables 14 and 15)

The volume of fixed investment fell by 2½ per cent in the third quarter of 1980, following a fall of 2 per cent in the previous quarter. Fixed investment in the six months to the end of September was 4½ per cent lower than in the previous six months. Over this period, investment by general government and the private sector fell by 9 and 5 per cent respectively, but capital expenditure by public corporations rose by 2 per cent. Investment in dwellings fell by 14 per cent between the two half years. Investment in other buildings and works was also down by 6 per cent. In contrast, investment in plant and machinery remained buoyant in 1980 and was 1 per cent higher in the six months to the end of September than in the previous six-month period.

Investment directly by the manufacturing industries in the 6 months ending in September was 8 per cent below that in the previous 6 months, but expenditure by the service trades on assets for leasing remained high so that the volume of new equipment becoming available for use by manufactureres declined by rather less. There were also large reductions in investment in public services and in petroleum and natural gas over the same period.

Value of physical increase in stocks and work-in-progress at constant 1975 prices (Table 16)

Large and widespread falls in stock levels were recorded in the third quarter. After inclusion (within the figure for 'other industries') of a fall of £100m to take account of deficiencies in both coverage and quality of the recorded data, the estimated total fall was over £650m. Total destocking during the first three quarters of 1980 is estimated as £1,070m, following stockbuilding of £1,610m during 1979. Despite the large fall in stocks during 1980, the levels remain high relative to the levels of economic activity.

Revisions

The estimates of consumer's expenditure have been revised in the light of the provisional results of the 1979 Annual Retailing Inquiry published in *British business* on 5 December 1980.

The previous estimates included an allowance which anticipated just under half of the unexpectedly large discrepancy between the estimates of growth from 1978 to 1979 as measured by the annual and the monthly inquiry. For 1980 it is assumed that the discrepancy is continuing at the average rate for the period 1976 to 1979. The result of this and other small revisions was as follows:

	Consumers' expenditure (£million)	
	At current prices	At constant prices
1979	+738	+454 (0·6%)
1st half 1980 ..	+694	+336 (0·9%)

The revisions to items of consumers' expenditure in 1979 are shown in more detail in the table below.

	Revisions to 1979 (£m)	
	At current prices	At constant 1975 prices
Total Consumers' Expenditure	+738	+454
Clothing:		
Footwear	+ 90	+ 58
Women's wear	− 53	− 39
Total	+ 37	+ 19
Durable goods:		
Furniture and floor coverings ..	+197	+118
Radio, electrical and other durable goods	+250	+177
Total	+447	+295
Other goods	+179	+108
Other services	+ 75	+ 32

These revisions are tentative and subject to further change when the detailed final results of the 1979 Annual Retailing Inquiry become available.

The incorporation of the provisional results of the 1979 Annual Retailing Inquiry has also led to upward revisions to estimates of the output of the distributive trades and thence to estimates of GDP(O) in 1979 and 1980. The estimates of agricultural output in 1980 have also been revised upwards.

The estimates of the profits of industrial and commercial companies in recent quarters have been revised downwards. This is mainly the result of new information on the way in which companies have been treating interest payments in their responses to the Inland Revenue Quarterly Profits Inquiry. The table below shows the result of this and other changes on gross trading profits of industrial and commercial companies after deducting stock appreciation. (Revised quarterly estimates back to 1976 can be seen on page 60.)

	Profits of industrial and commercial companies
1976	− 114 (−1 %)
1977	− 136 (−1 %)
1978	− 294 (−1½%)
1979	− 937 (−4½%)
1980 (1st half)	−1,160 (−9 %)

It is not yet possible to provide an allocation by industry of the revisions.

Effect of revisions on GDP measures

The effects of all revisions on estimates of recent movements in GDP at 1975 prices are summarised below. The estimates published in October 1980 are shown in brackets.

Percentage change in GDP at 1975 factor cost (seasonally adjusted)

	GDP(E)	GDP(I)	GDP(O)	Average
1979/1978	1·0 (0·6)	1·5 (1·9)	2·1 (1·7)	1·6 (1·4)
1st half 1980/1st half 1979	−0·8 (−1·5)	−0·1 (0·5)	−1·3 (−1·8)	−0·7 (−1·0)

Central Statistical Office

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*The tables show annual figures from 1974 and quarterly figures from 1977.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product		Final expenditure on goods and services at market prices								
	At market prices	At factor cost[1]	Total	Consumers' expenditure	General government consumption	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
At current prices											
1974	82,879	74,414	110,254	52,489	16,609	16,867	1,304	22,985	27,375	11,469	3,004
1975	104,413	93,954	133,392	64424	23,074	20,417	−1,534	27,011	28,979	14,162	3,703
1976	124,330	111245	161204	74,751	26,779	23,599	864	35,211	36,874	16,553	3,468
1977	143,064	126,111	185,634	85,474	29,209	25,739	1,860	43,352	42,570	20,252	3,299
1978	164,034	144,442	209,536	98,395	32,934	29,695	1,070	47,442	45,502	23,253	3,661
1979	190,440	164,385	244,941	115,543	38,316	33,646	2,760	54,676	54,501	30,361	4,306
Unadjusted											
1977 *1*	32,801	29,467	43,265	19,477	7,040	6,175	564	10,009	10,464	4,217	883
2	34,342	30,100	45,341	20,552	7,257	6,013	691	10,828	10,999	5,066	824
3	36,434	31,895	47,176	21,807	7,368	6,397	122	11,482	10,742	5,317	778
4	39,487	34,649	49,852	23,638	7,544	7,154	483	11,033	10,365	5,652	814
1978 *1*	38,088	33,919	48,943	22,657	7,972	7,406	— 31	10,939	10,855	5,034	865
2	39,593	34,758	51,140	23,539	8,073	7,036	448	12,044	11,547	5,732	897
3	41,695	36,651	53,251	25,219	8,252	7,305	377	12,098	11,556	5,973	929
4	44,658	39,114	56,202	26,980	8,637	7,948	276	12,361	11,544	6,514	970
1979 *1*	42,274	37,095	54,520	25,641	8,875	7,837	763	11,404	12,246	6,182	1,003
2	45,866	39,690	59,811	28,058	9,316	7,701	628	14,108	13,945	7,310	1,134
3	48,992	41,913	62,654	29,561	9,896	8,458	627	14,112	13,662	8,102	1,023
4	53,308	45,687	67,956	32,283	10,229	9,650	742	15,052	14,648	8,767	1,146
1980 *1*	51,238	43,850	66,494	31,302	10,872	9,582	— 800	15,538	15,256	8,573	1,185
2	53,523	45,793	68,636	32,160	11,656	9,148	28	15,644	15,113	9,011	1,281
3	56,518	48,226	70,579	34,125	12,386	9,542	−1,199	15,725	14,061	9,592	1,300
Seasonally adjusted											
1977 *1*	33,601	29,925	44,204	20,295	6,973	6,012	713	10,211	10,603	4,515	839
2	35,097	30,894	45,962	21,003	7,262	6,364	620	10,713	10,865	5,042	839
3	36,493	32,065	47,221	21,777	7,443	6,509	85	11,407	10,728	5,228	800
4	37,873	33,227	48,247	22,399	7,531	6,854	442	11,021	10,374	5,467	821
1978 *1*	38,979	34,463	50,167	23,536	7,895	7,232	118	11,386	11,188	5,347	831
2	40,547	35,733	51,661	24,130	8,073	7,419	365	11,674	11,114	5,718	904
3	41,724	36,817	53,375	25,093	8,340	7,453	374	12,115	11,651	5,861	954
4	42,784	37,429	54,333	25,636	8,626	7,591	213	12,267	11,549	6,327	972
1979 *1*	43,273	37,677	55,660	26,644	8,795	7,672	898	11,653	12,387	6,564	968
2	47,152	41,019	60,897	28,862	9,310	8,116	551	14,058	13,745	7,273	1,140
3	49,005	42,119	62,760	29,275	9,996	8,657	650	14,182	13,755	7,931	1,045
4	51,010	43,570	65,624	30,762	10,215	9,201	663	14,783	14,614	8,593	1,153
1980 *1*	52,575	44,641	68,073	32,683	10,779	9,378	— 651	15,884	15,498	9,081	1,147
2	54,804	47,182	69,774	32,933	11,648	9,619	— 95	15,669	14,970	8,909	1,287
3	56,526	48,457	70,464	33,680	12,504	9,764	−1,130	15,646	13,938	9,393	1,324

[1] Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* adjustment to factor cost. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Table 3, and in the text of the article.

[2] This represents taxes on expenditure *less* subsidies valued at constant rates.

Expenditure on the gross domestic product

TABLE 1 (*continued*)

£ million

	Gross domestic product		Final expenditure on goods and services at market prices							
	At market prices	At factor cost[1]	Total	Consumers' expenditure	General government consumption	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Adjustment to factor cost[2]
Revalued at 1975 prices										
1974	105,165	94,527	136,381	64,881	21,761	20,616	1,428	27,695	31,216	10,638
1975	104,413	93,954	133,392	64,424	23,074	20,417	−1,534	27,011	28,979	10,459
1976	108,794	97,971	139,007	64,642	23,581	20,636	654	29,494	30,213	10,823
1977	109,859	98,993	140,450	64,240	23,334	20,089	1,327	31,460	30,591	10,866
1978	113,848	101,929	145,618	68,074	23,865	20,802	843	32,034	31,770	11,919
1979	115,366	102,973	150,616	71,270	24,334	20,506	1,610	32,896	35,250	12,393
Unadjusted										
1977 *1*	26,439	23,914	34,047	15,263	5,849	5,011	395	7,529	7,608	2,525
2	26,637	24,047	34,536	15,493	5,856	4,781	526	7,880	7,899	2,590
3	27,483	24,742	35,174	16,161	5,763	4,938	72	8,240	7,691	2,741
4	29,300	26,290	36,693	17,323	5,866	5,359	334	7,811	7,393	3,010
1978 *1*	27,442	24,634	35,206	16,090	5,979	5,399	85	7,653	7,764	2,808
2	27,765	24,896	35,816	16,373	5,949	5,004	330	8,160	8,051	2,869
3	28,606	25,605	36,627	17,319	5,896	5,071	253	8,088	8,021	3,001
4	30,035	26,794	37,969	18,292	6,041	5,328	175	8,133	7,934	3,241
1979 *1*	27,604	24,625	35,771	16,782	6,083	5,086	563	7,257	8,167	2,979
2	28,598	25,482	37,715	17,788	6,095	4,793	338	8,701	9,117	3,116
3	28,675	25,744	37,605	17,752	6,046	5,105	329	8,373	8,930	2,931
4	30,489	27,122	39,525	18,948	6,110	5,522	380	8,565	9,036	3,367
1980 *1*	28,165	24,911	36,982	17,541	6,186	5,251	− 418	8,422	8,817	3,254
2	27,515	24,697	36,427	17,186	6,190	4,806	− 60	8,305	8,912	2,818
3	28,072	25,084	36,500	17,966	6,119	4,850	− 650	8,215	8,428	2,988
Seasonally adjusted										
1977 *1*	27,059	24,397	34,777	15,898	5,791	4,883	518	7,687	7,718	2,662
2	27,308	24,660	35,107	15,901	5,861	5,065	485	7,795	7,799	2,648
3	27,436	24,677	35,110	16,102	5,829	4,997	11	8,171	7,674	2,759
4	28,056	25,259	35,456	16,339	5,853	5,144	313	7,807	7,400	2,797
1978 *1*	28,097	25,156	36,105	16,748	5,916	5,287	185	7,969	8,008	2,941
2	28,538	25,602	36,286	16,844	5,949	5,282	308	7,903	7,748	2,936
3	28,539	25,507	36,615	17,210	5,968	5,136	205	8,096	8,076	3,032
4	28,674	25,664	36,612	17,272	6,032	5,097	145	8,066	7,938	3,010
1979 *1*	28,273	25,175	36,549	17,456	6,024	4,998	659	7,412	8,276	3,098
2	29,485	26,287	38,475	18,375	6,089	5,052	296	8,663	8,990	3,198
3	28,611	25,655	37,581	17,543	6,121	5,182	324	8,411	8,970	2,956
4	28,997	25,856	38,011	17,896	6,100	5,274	331	8,410	9,014	3,141
1980 *1*	28,979	25,596	37,961	18,338	6,131	5,169	− 288	8,611	8,982	3,383
2	28,306	25,445	37,135	17,704	6,182	5,058	− 126	8,317	8,829	2,861
3	28,012	24,991	36,337	17,689	6,193	4,923	− 656	8,188	8,325	3,021

See footnotes on page 78.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product		Net property income from abroad	Gross domestic product at factor cost	Factor incomes						*less* Stock appreciation	Residual error
	At market prices	At factor cost			Total domestic income[1]	Income from employment[2]	Gross trading profits of companies	Gross trading surplus of public corporations[1]	Gross trading surplus of general government enterprises[1]	Other income[3]		
1974	84,307	75,842	1,428	74,414	80,014	53,036	10,669	2,558	148	13,603	−5,808	208
1975	105,184	94,725	771	93,954	99,042	68,139	11,961	3,091	141	15,710	−5,350	262
1976	125,635	112,550	1,305	111,245	115,945	77,566	15,139	4,502	110	18,628	−6,520	1,820
1977	143,110	126,157	46	126,111	129,856	85,585	18,035	5,087	147	21,002	−4,819	1,074
1978	164,554	144,962	520	144,442	147,872	97,659	20,329	5,392	164	24,328	−4,322	892
1979	190,922	164,867	482	164,385	172,687	113,927	25 041	5,585	131	28,003	−8,542	240
Unadjusted												
1977 *1*	32,892	29.558	91	29,467	31,774	20,515	4,689	1,425	35	5,110	−1,910	− 397
2	34,269	30,027	− 73	30,100	31,795	21,092	4,362	1,153	35	5,153	−1,076	− 619
3	36,481	31,942	47	31,895	32,384	21,706	4,217	1,121	55	5,285	−1,095	606
4	39,468	34,630	− 19	34,649	33,903	22,272	4,767	1,388	22	5,454	− 738	1,484
1978 *1*	38,164	33,995	76	33,919	34,797	22,810	4,849	1,377	42	5,719	− 902	24
2	39,711	34,876	118	34,758	36,524	24,160	5,073	1,277	41	5,973	−1,136	− 630
3	41,956	36,912	261	36,651	37,183	24,978	4,808	1,126	44	6,227	−1,001	469
4	44,723	39,179	65	39,114	39,368	25,711	5,599	1,612	37	6,409	−1,283	1,029
1979 *1*	42,616	37,437	342	37,095	39,836	26,342	5,244	1,624	39	6,587	−2,009	− 732
2	45,796	39,620	− 70	39,690	42,301	27,771	6,304	1,268	10	6,948	−2,105	− 506
3	49 357	42,278	365	41,913	43,699	29,258	6,208	1,071	61	7,101	−2,181	395
4	53,153	45,532	− 155	45,687	46,851	30,556	7,285	1,622	21	7,367	−2,247	1,083
1980 *1*	51,214	43,826	− 24	43,850	48,206	31,330	7,371	1,803	50	7,652	−3,073	−1,283
2	53,318	45,588	− 205	45,793	48,442	33,341	6,028	1,165	46	7,862	−1,619	−1,030
3	56,588	48,296	70	48,226	49,346	34,940	5,110	1,073	20	8,203	−1,025	− 95
Seasonally adjusted												
1977 1	33,695	30,019	94	29,925	31,783	20,682	4,669	1,287	35	5,110	−1,722	− 136
2	35,060	30,857	− 37	30,894	32,090	21,085	4,557	1,260	35	5,153	−1,107	− 89
3	36,484	32,056	− 9	32,065	32,846	21,631	4,488	1,387	55	5,285	−1,195	414
4	37,871	33,225	− 2	33,227	33,137	22,187	4,321	1,153	22	5,454	− 795	885
1978 *1*	39,039	34,523	60	34,463	34,798	22,989	4,837	1,211	42	5,719	− 803	468
2	40,754	35,940	207	35,733	36,824	24,140	5,261	1,409	41	5,973	−1,133	42
3	41,894	36,987	170	36,817	37,590	24,881	5,063	1,375	44	6,227	−1,056	283
4	42,867	37,512	83	37,429	38,660	25,649	5,168	1,397	37	6,409	−1,330	99
1979 *1*	43,607	38,011	334	37,677	39,871	26,547	5,241	1,457	39	6,587	−1,806	− 388
2	47,156	41,023	4	41,019	42,598	27,744	6,492	1,404	10	6,948	−2,016	437
3	49,273	42,387	268	42,119	44,092	29,140	6,477	1,313	61	7,101	−2,347	374
4	50,886	43,446	− 124	43,570	46,126	30,496	6,831	1,411	21	7,367	−2,373	− 183
1980 *1*	52,536	44,602	− 39	44,641	48,242	31,580	7,371	1,589	50	7,652	−2,858	− 743
2	54,685	47,063	− 119	47,182	48,646	33,290	6,178	1,270	46	7,862	−1,651	187
3	56,501	48,432	− 25	48,457	49,722	34,788	5,323	1,388	20	8,203	−1,117	− 148

[1] Before providing for depreciation and stock appreciation.
[2] Wages and salaries, forces' pay and employers' contributions.
[3] Income from rent and self-employment and the imputed charge for consumption of non-trading capital.

Index numbers of output at constant factor cost

TABLE 3

1975 = 100

	Gross domestic product[1,2]	Total output other than MLH104[2,3]	Agriculture, forestry and fishing	Industrial production					Transport and communication	Distributive trades	Other
				Total[2]	Mining and quarrying[4]	Manufacturing[2]	Construction[4]	Gas, electricity and water[4]			
1975 weights	*1,000*	*999·9*	*28*	*407*	*17*	*283*	*74*	*33*	*88*	*101*	*376*
1974	102·0	102·0	108·4	105·7	89·9	107·5	105·8	98·5	100·9	103·4	97·3
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·3	101·7	92·0	102·4	125·8	102·0	98·6	102·3	99·0	100·8	104·1
1977	104·9	103·3	103·6	106·5	187·7	103·9	98·3	106·4	101·8	99·9	105 3
1978	108·4	106·0	112·0	110·2	232·5	104·4	105·0	109·7	104·7	105·3	107·8
1979	110·7	107·3	110·6	112·8	294·7	104·5	102·1	116·1	110·3	110·4	108·6
Seasonally adjusted											
1977 *1*	104·9	103·5	100	107·0	175·0	105·6	97·4	105·5	103	100	105
2	104·3	102·7	103	106·3	190·6	103·6	97·2	107·5	100	98	105
3	104·9	103·3	105	106·1	189·8	103·1	98·4	107·2	102	100	106
4	105·5	103·7	107	106·7	195·3	103·3	100·3	105·6	102	101	106
1978 *1*	106·6	104·6	110	107·7	209·7	103·1	102·7	106·8	103	103	107
2	108·5	106·2	113	111·1	229·4	105·2	106·9	110·9	105	105	107
3	109·2	106·8	113	111·4	235·8	105·4	105·9	112·4	104	107	108
4	109·1	106·4	112	110·4	255·2	103·7	104·4	108·7	107	107	109
1979 *1*	108·7	105·5	110	110·3	278·4	102·6	97·8	120·4	104	108	108
2	112·5	109·1	109	115·1	296·7	107·4	102·7	116·7	112	115	109
3	110·5	106·9	110	113·1	307·6	103·7	104·1	115·2	113	108	108
4	111·0	107·7	113	112·7	295·9	104·3	103·7	112·2	112	111	109
1980 *1*	110·1	106·6	118	109·6	305·6	99·6	102·4	113·0	112	112	109
2	108·3	104·9	121	106·8	297·1	97·1	98·9	112·4	111	109	108
3	106·2	102·9	122	102·7	290·9	93·2	93·1	111·6	112	107	107

[1] Alternative estimates of the gross domestic product are given in the text of the article and in Table 1.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[3] MLH 104: Extraction of mineral oil and natural gas.

[4] This series may not be fully consistent with that shown on page 26 which may be based on later information.

Personal income, expenditure and saving

TABLE 4

£ million

		Personal income before tax													Personal disposable income at 1975 prices[10]
		Total[1]	Wages and salaries	Forces' pay	Employers' contributions[2]	Current grants from general government[3]	Other personal income[4,5]	UK taxes on income (payments)[6]	National insurance, etc. contributions	Transfers abroad (net)	Total personal disposable income[7,8]	Consumers' expenditure	Balance: personal savings[8,9]		
1974		76,209	46,278	1,071	5,687	7,876	15,297	10,418	5,000	97	60,694	52,489	8,205	*13·5*	75,023
1975		95,827	58,932	1,283	7,924	10,283	17,405	15,101	6,848	110	73,768	64,424	9,344	*12·7*	73,768
1976		110,667	66,166	1,474	9,926	12,761	20,340	17,501	8,426	— 28	84,768	74,751	10,017	*11·8*	73,304
1977		123,197	73,264	1,503	10,818	15,091	22,521	18,206	9,508	—	95,483	85,474	10,009	*10·5*	71,763
1978		142,093	83,882	1,644	12,133	17,874	26,560	19,547	10,107	136	112,303	98,395	13,908	*12·4*	77,696
1979		166,484	97,661	2,014	14,252	20,968	31,589	21,522	11,538	253	133,171	115,543	176,28	*13·2*	82,143
Unadjusted															
1977	*1*	29,718	17,543	358	2,614	3,545	5,658	4,854	2,263	— 3	22,604	19,477	3,127	*13·8*	17,702
	2	30,060	18,043	361	2,688	3,738	5,230	4,564	2,369	—16	23,143	20,552	2,591	*11·2*	17,435
	3	31,366	18,577	406	2,723	3,773	5,887	4,555	2,401	— 4	24,414	21,807	2,607	*10·7*	18,081
	4	32,053	19,101	378	2,793	4,035	5,746	4,233	2,475	23	25,322	23,638	1,684	*6·7*	18,545
1978	*1*	33,423	19,580	386	2,844	4,219	6,394	4,911	2,512	65	25,935	22,657	3,278	*12·6*	18,414
	2	34,909	20,747	420	2,993	4,479	6,270	4,976	2,456	24	27,453	23,539	3,914	*14·2*	19,092
	3	36,301	21 481	414	3,083	4,433	6,890	4,737	2,525	29	29,010	25,219	3,791	*13·1*	19,919
	4	37,460	22,074	424	3,213	4,743	7,006	4,923	2,614	18	29,905	26,980	2,925	*9·8*	20,271
1979	*1*	38,342	22,616	418	3,308	4,892	7,108	5,253	2,648	33	30,408	25,641	4,767	*15·7*	19,890
	2	40,432	23,766	517	3,488	5,263	7,398	5,436	2,830	20	32,146	28,058	4,088	*12·7*	20,367
	3	42,797	25,072	539	3,647	5,108	8,431	5,548	2,963	96	34,192	29,561	4,631	*13·5*	20,520
	4	44,913	26,207	540	3,809	5,705	8,652	5,287	3,097	104	36,425	32,283	4,142	*11·4*	21,366
1980	*1*	46,363	26,864	535	3,931	6,016	9,017	6,063	3,150	88	37,062	31,302	5,760	*15·5*	20,769
	2	48,339	28,459	610	4,272	6,345	8,653	6,044	3,537	82	38,676	32,160	6,516	*16·8*	20,668
	3	51,144	29,820	638	4,482	6,286	9,918	6,671	3,635	81	40,757	34,125	6,632	*16·3*	21,458
Seasonally adjusted															
1977	*1*	29,759	17,706	362	2,614	3,529	5,548	4,793	2,263	— 3	22,706	20,295	2,411	*10·6*	17,788
	2	30,215	18,032	365	2,688	3,701	5,429	4,710	2,369	—16	23,152	21,003	2,149	*9·3*	17,530
	3	31,140	18,504	404	2,723	3,869	5,640	4,438	2,401	— 4	24,305	21,777	2,528	*10·4*	17,973
	4	32,083	19,022	372	2,793	3,992	5,904	4,265	2,475	23	25,320	22,399	2,921	*11·5*	18,472
1978	*1*	33,334	19,755	390	2,844	4,173	6,172	4,858	2,512	65	25,899	23,536	2,363	*9·1*	18,437
	2	35,223	20,723	424	2,993	4,390	6,693	5,134	2,456	24	27,609	24,130	3,479	*12·6*	19,280
	3	36,153	21,386	412	3,083	4,585	6,687	4,613	2,525	29	28,986	25,093	3,893	*13·5*	19,888
	4	37,383	2,2018	418	3,213	4,726	7,008	4,942	2,614	18	29,809	25,636	4,173	*14·0*	20,091
1979	*1*	38,564	22 816	423	3,308	4,886	7,131	5,193	2,648	33	30,690	26,644	4,046	*13·2*	20,122
	2	40,498	23,734	522	3,488	5,166	7,588	5,589	2,830	20	32,059	28,862	3,197	*10·0*	20,426
	3	42,491	24,957	536	3,647	5,242	8,109	5,412	2,963	96	34,020	29,275	4,745	*13·9*	20,402
	4	44,931	26,154	533	3,809	5,674	8,761	5,328	3,097	104	36,402	30,762	5,640	*15·5*	21,193
1980	*1*	46,415	27,108	541	3,931	5,980	8,855	6,021	3,150	88	37,156	32,683	4,473	*12·0*	20,848
	2	48,564	28,402	616	4,272	6,198	9,076	6,189	3,537	82	38,756	32,933	5,823	*15·0*	20,834
	3	50,673	29,672	634	4,482	6,473	9,412	6,526	3,635	81	40,431	33,680	6,751	*16·7*	21,235

[1] Before providing for depreciation and stock appreciation.
[2] Employers' contributions to national insurance, etc. and pension funds.
[3] National insurance benefits, family allowances, assistance grants, war pensions and service grants, etc.
[4] Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts, transfers to charities from companies and an imputed charge for the capital consumption of private, non-profit-making bodies.
[5] From the second quarter of 1973 includes tax credits on dividends.
[6] From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
[7] Equals total personal income before tax *less* payments of taxes on income, national insurance, etc. contributions and net transfers abroad.
[8] Before providing for depreciation, stock appreciation and additions to tax reserves.
[9] Personal saving as a percentage of total personal disposable income is shown in italics.
[10] Personal disposable income revalued by the implied consumers' expenditure deflator (1975 = 100).

Consumers' expenditure

TABLE 5

£ million

		Total	Food (household expenditure)	Alcoholic drink: Beer	Alcoholic drink: Wines spirits, etc.	Tobacco	Housing	Fuel and light	Clothing: Footwear	Clothing: Other	Durable goods: Total	Durable goods: Cars and motor cycles	Durable goods: Furniture and floor coverings	Durable goods: Radio and electrical goods, etc.	Other goods	Other services
At current prices																
1974		52,489	9,792	2,071	1,844	2,238	7,410	2,270	725	3,749	4,109	1,431	1,286	1,392	8,679	9,602
1975		64,424	12,036	2,680	2,176	2,748	9,221	2,914	841	4,325	5,042	1,810	1,582	1,650	10,635	11,806
1976		74,751	14,077	3,282	2,554	3,107	10,631	3,590	959	4,790	6,087	2,345	1,844	1,898	12,136	13,538
1977		85,474	16,157	3,788	2,751	3,632	12,407	4,258	1,101	5,426	6,686	2,620	1,977	2,089	14,102	15,166
1978		98,395	17,936	4,182	3,289	3,917	14,256	4,650	1,334	6,370	8,718	3,869	2,313	2,536	16,013	17,730
1979		115,543	20,505	4,838	4,035	4,279	16,501	5,327	1,685	7,228	10,758	4,728	2,830	3,200	19,351	21,036
Unadjusted																
1977	*1*	19,477	3,832	752	464	777	2,840	1,296	213	1,095	1,669	712	477	480	3,096	3,443
	2	20,552	4,018	966	554	939	3,059	919	259	1,197	1,487	634	434	419	3,335	3,819
	3	21,807	4,030	1,048	664	966	3,226	766	285	1,329	1,757	781	477	499	3,572	4,164
	4	23,638	4,277	1,022	1,069	950	3,282	1,277	344	1,805	1,773	493	589	691	4,099	3,740
1978	*1*	22,657	4,248	891	565	894	3,342	1,478	251	1,275	2,123	1,022	525	576	3,564	4,026
	2	23,539	4,348	1,044	697	1,008	3,452	983	314	1,452	2,000	943	527	530	3,770	4,471
	3	25,219	4,614	1,129	790	1,011	3,695	829	347	1,578	2,354	1,167	572	615	4,029	4,843
	4	26,980	4,726	1,118	1,237	1,004	3,767	1,360	422	2,065	2,241	737	689	815	4,650	4,390
1979	*1*	25,641	4,707	900	730	930	3,793	1,764	307	1,422	2,521	1,227	605	689	4,040	4,527
	2	28,058	4,988	1,234	899	1,067	4,042	1,058	412	1,681	2,996	1,501	719	776	4,483	5,198
	3	29,561	5,295	1,370	894	1,120	4,309	912	427	1,721	2,520	1,142	673	705	4,989	6,004
	4	32,283	5,515	1,334	1,512	1,162	4,357	1,593	539	2,404	2,721	858	833	1,030	5,839	5,307
1980	*1*	31,302	5,557	1,185	1,070	1,089	4,402	1,920	401	1,737	3,141	1,528	765	848	5,210	5,590
	2	32,160	5,820	1,477	780	1,267	4,753	1,220	463	1,851	2,525	1,081	733	711	5,508	6,496
	3	34,125	5,920	1,439	939	1,260	5,050	1,146	468	1,902	2,853	1,299	758	796	5,860	7,288
Revalued at 1975 prices																
1974		64,881	12,071	2,590	2,302	2,885	9,081	2,984	822	4,287	5,089	1,820	1,522	1,747	10,840	11,930
1975		64,424	12,036	2,680	2,176	2,748	9,221	2,914	841	4,325	5,042	1,810	1,582	1,650	10,635	11,806
1976		64,642	12,168	2,738	2,273	2,653	9,240	2,887	861	4,332	5,424	2,010	1,645	1,769	10,690	11,376
1977		64,240	12,011	2,728	2,209	2,523	9,402	2,962	855	4,379	5,059	1,856	1,499	1,704	10,771	11,341
1978		68,074	12,282	2,803	2,512	2,755	9,709	3,014	945	4,781	5,896	2,372	1,596	1,928	11,338	12,039
1979		71,270	12,546	2,834	2,747	2,746	10,062	3,179	1,058	5,028	6,555	2,551	1,736	2,268	11,717	12,798
Unadjusted																
1977	*1*	15,263	2,887	561	377	585	2,299	952	176	922	1,324	537	380	407	2,496	2,684
	2	15,493	2,996	704	454	650	2,321	640	202	994	1,134	455	333	346	2,542	2,856
	3	16,161	2,997	742	532	647	2,398	518	221	1,058	1,295	534	357	404	2,701	3,052
	4	17,323	3,131	721	846	641	2,384	852	256	1,405	1,306	330	429	547	3,032	2,749
1978	*1*	16,090	2,984	610	444	629	2,378	985	183	985	1,474	651	375	448	2,591	2,827
	2	16,373	2,990	695	532	719	2,373	636	225	1,100	1,364	590	369	405	2,700	3,039
	3	17,319	3,161	751	601	712	2,486	525	245	1,178	1,556	698	392	466	2,859	3,245
	4	18,292	3,147	747	935	695	2,472	868	292	1,518	1,502	433	460	609	3,188	2,928
1979	*1*	16,782	2,982	577	533	639	2,470	1,122	208	1,031	1,602	692	399	511	2,705	2,913
	2	17,788	3,107	741	643	723	2,487	656	272	1,201	1,857	830	461	566	2,860	3,241
	3	17,752	3,234	773	587	688	2,563	525	260	1,173	1,481	594	398	489	2,888	3,580
	4	18,948	3,223	743	984	696	2,542	876	318	1,623	1,615	435	478	702	3,264	3,064
1980	*1*	17,541	3,099	609	664	646	2,522	1,037	231	1,149	1,733	736	426	571	2,813	3,038
	2	17,186	3,170	713	459	683	2,489	601	259	1,196	1,393	522	399	472	2,814	3,409
	3	17,966	3,230	684	550	670	2,539	515	255	1,224	1,548	612	409	527	2,953	3,798
Seasonally adjusted																
1977	*1*	15,898	2,975	663	525	628	2,325	725	212	1,071	1,286	473	388	425	2,675	2,813
	2	15,901	3,040	693	531	626	2,326	764	207	1,065	1,210	436	364	410	2,639	2,800
	3	16,102	2,933	678	582	633	2,363	747	218	1,107	1,279	488	369	422	2,713	2,849
	4	16,339	3,063	694	571	636	2,388	726	218	1,136	1,284	459	378	447	2,744	2,879
1978	*1*	16,748	3,073	720	600	677	2,401	735	221	1,145	1,418	570	382	466	2,772	2,986
	2	16,844	3,037	680	628	691	2,386	758	232	1,184	1,448	567	402	479	2,814	2,986
	3	17,210	3,092	686	650	696	2,447	769	242	1,228	1,521	628	406	487	2,879	3,000
	4	17,272	3,080	717	634	691	2,475	752	250	1,224	1,509	607	406	496	2,873	3,067
1979	*1*	17,456	3,075	685	706	687	2,493	840	251	1,200	1,529	596	406	527	2,893	3,097
	2	18,375	3,157	726	747	694	2,507	793	281	1,299	1,976	811	499	666	2,989	3,206
	3	17,543	3,159	709	628	672	2,519	778	256	1,223	1,445	529	409	507	2,901	3,253
	4	17,896	3,155	714	666	693	2,543	768	270	1,306	1,605	615	422	568	2,934	3,242
1980	*1*	18,338	3,200	723	881	694	2,546	770	278	1,332	1,663	638	434	591	3,007	3,244
	2	17,704	3,218	697	541	655	2,510	720	266	1,292	1,499	509	432	558	2,938	3,368
	3	17,689	3,150	626	588	655	2,499	758	250	1,269	1,522	550	423	549	2,969	3,403

Appropriation account of companies and financial institutions

TABLE 6

£ million

	Income						Allocation of income					
	Income arising in the United Kingdom						Dividends and Interest, etc.					
		Gross trading profits								UK taxes on income (payments)[3]		
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[2]	Other[2]	Profits due abroad (net of UK tax)	Total	*of which* advance corporation tax[4]	Balance undistributed income[5]
1974	18,732	5,955	4,714	10,669	5,223	2,840	1,518	4,411	668	2,739	1,020	9,396
1975	19,840	7,685	4,276	11,961	5,526	2,353	1,545	4,577	627	2,287	938	10,804
1976	25,241	9,883	5,256	15,139	6,707	3,395	1,770	4,999	984	2,235	1,015	15,253
1977	29,121	14,200	3,835	18,035	7,800	3,286	2,036	5,191	2,012	3,134	1,212	16,748
1978	32,424	16,960	3,369	20,329	8,090	4,005	2,484	5,535	2,238	3,910	1,363	18,257
1979	42,709	18,138	6,903	25,041	11,576	6,092	3,673	8,252	3,988	4,895	1,525	21,901
Unadjusted												
1977 *1*	7,503	3,198	1,491	4,689	1,989	825	381	1,410	445	1,288	315	3,979
2	7,215	3,462	900	4,362	1,997	856	570	1,317	558	446	247	4,324
3	6,954	3,355	862	4,217	1,936	801	535	1,228	491	650	347	4,050
4	7,449	4,185	582	4,767	1,878	804	550	1,236	518	750	303	4,395
1978 *1*	7,451	4,179	670	4,849	1,772	830	471	1,136	517	1,588	356	3,739
2	7,981	4,140	933	5,073	1,912	996	719	1,225	526	503	256	5,008
3	7,962	4,041	767	4,808	2,104	1,050	599	1,416	517	735	422	4,695
4	9,030	4,600	999	5,599	2,302	1,129	695	1,758	678	1,084	329	4,815
1979 *1*	9,266	3,749	1,495	5,244	2,630	1,392	535	1,649	762	1,731	414	4,589
2	10,467	4,510	1,794	6,304	2,740	1,423	826	1,906	1,041	918	345	5,776
3	10,883	4,460	1,748	6,208	2,985	1,690	932	2,181	1,001	814	369	5,955
4	12,093	5,419	1,866	7,285	3,221	1,587	1,380	2,516	1,184	1,432	397	5,581
1980 *1*	12,597	4,956	2,415	7,371	3,655	1,571	685	2,811	1,197	2,885	822	5,019
2	11,541	4,700	1,328	6,028	3,843	1,670	1,250	2,951	1,279	383	302	5,678
3	10,437	4,286	824	5,110	3,922	1,405	954	3,046	920	2,059	533	3,458
Seasonally adjusted												
1977 *1*	7,531	3,266	1,403	4,669	2,000	862	481	1,435	443	718	283	4,454
2	7,366	3,654	903	4,557	1,979	830	488	1,319	534	743	311	4,282
3	7,239	3,561	927	4,488	1,941	810	527	1,244	526	830	301	4,112
4	6,985	3,719	602	4,321	1,880	784	540	1,193	509	843	317	3,900
1978 *1*	7,458	4,164	673	4,837	1,772	849	591	1,196	508	888	319	4,275
2	8,158	4,374	887	5,261	1,913	984	623	1,268	501	879	323	4,887
3	8,226	4,271	792	5,063	2,104	1,059	596	1,451	557	949	371	4,573
4	8,582	4,151	1,017	5,168	2,301	1,113	674	1,620	672	1,194	350	4,422
1979 *1*	9,301	3,842	1,399	5,241	2,629	1,431	673	1,820	758	1,072	371	4,978
2	10,643	4,836	1,656	6,492	2,742	1,409	733	1,885	1,019	1,225	419	5,781
3	11,151	4,592	1,885	6,477	2,985	1,689	944	2,100	1,030	1,260	325	5,817
4	11,614	4,868	1,963	6,831	3,220	1,563	1,323	2,447	1,181	1,338	410	5,325
1980 *1*	12,642	5,062	2,309	7,371	3,653	1,618	845	2,930	1,192	1,569	752	6,106
2	11,675	4,865	1,313	6,178	3,844	1,653	1,103	3,024	1,265	1,143	377	5,140
3	10,655	4,425	898	5,323	3,923	1,409	955	3,074	937	1,879	503	3,810

[1] Before providing for depreciation and stock appreciation.
[2] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[3] Mainly payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[4] Including the additional charge in the financial year 1974–75.
[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies

TABLE 7

£ million

	Income							Allocation of income					
		Income arising in the United Kingdom						Dividends and interest, etc.					
		Gross trading profits			Rent and non-trading income								
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]
1974	15,637	7,500	4,714	12,214	1,280	697	2,143	1,469	3,376	2,716	525	2,070	8,197
1975	16,642	9,459	4,276	13,735	1,266	623	1,641	1,508	3,352	2,674	447	1,643	9,692
1976	21,043	11,867	5,256	17,123	1,559	814	2,361	1,725	3,879	3,156	744	1,423	13,272
1977	24,058	16,396	3,835	20,231	1,496	656	2,331	1,969	3,754	3,058	1,752	2,315	14,268
1978	27,169	19,328	3,369	22,697	1,811	854	2,661	2,421	4,182	3,464	2,007	2,947	15,612
1979	35,172	20,818	6,903	27,721	2,500	1,289	4,951	3,604	6,080	5,455	3,712	3,915	17,881
Unadjusted													
1977 *1*	6,241	3,723	1,491	5,214	431	230	596	368	1,061	908	370	598	3,844
2	5,882	4,001	900	4,901	362	156	619	538	932	769	482	414	3,516
3	5,689	3,906	862	4,768	359	146	562	517	897	728	437	595	3,243
4	6,246	4,766	582	5,348	344	124	554	546	864	653	463	708	3,665
1978 *1*	6,339	4,744	670	5,414	366	141	559	463	792	628	458	760	3,866
2	6,774	4,720	933	5,653	438	203	683	673	986	820	467	472	4,176
3	6,572	4,643	767	5,410	477	235	685	584	1,121	939	460	673	3,734
4	7,484	5,221	999	6,220	530	275	734	701	1,283	1,077	622	1,042	3,836
1979 *1*	7,520	4,374	1,495	5,869	574	292	1,077	530	1,349	1,202	691	890	4,060
2	8,681	5,171	1,794	6,965	586	290	1,130	764	1,390	1,239	969	886	4,672
3	8,940	5,140	1,748	6,888	656	341	1,396	928	1,567	1,415	934	749	4,762
4	10,031	6,133	1,866	7,999	684	366	1,348	1,382	1,774	1,599	1,118	1,390	4,367
1980 *1*	10,058	5,686	2,415	8,101	718	398	1,239	656	1,911	1,776	1,117	1,955	4,419
2	8,627	5,454	1,328	6,778	734	418	1,115	1,163	2,058	1,911	1,179	339	3,888
3	7,518	5,066	824	5,890	755	431	873	947	2,058	1,934	826	1,980	1,707
Seasonally adjusted													
1977 *1*	6,239	3,791	1,403	5,194	431	230	614	461	1,103	917	368	530	3,777
2	6,067	4,193	903	5,096	363	156	608	474	929	757	458	549	3,657
3	5,965	4,112	927	5,039	359	146	567	510	900	730	472	613	3,470
4	5,787	4,300	602	4,902	343	124	542	524	822	654	454	623	3,364
1978 *1*	6,348	4,729	673	5,402	366	141	580	575	834	637	449	669	3,821
2	6,952	4,954	887	5,841	439	203	672	603	986	808	442	663	4,258
3	6,826	4,873	792	5,665	477	235	684	579	1,124	941	500	715	3,908
4	7,043	4,772	1,017	5,789	529	275	725	664	1,238	1,078	616	900	3,625
1979 *1*	7,553	4,467	1,399	5,866	573	292	1,114	666	1,389	1,214	687	878	3,933
2	8,863	5,497	1,656	7,153	588	290	1,122	704	1,391	1,227	947	985	4,836
3	9,194	5,272	1,885	7,157	656	341	1,381	936	1,569	1,417	963	984	4,742
4	9,562	5,582	1,963	7,545	683	366	1,234	1,298	1,731	1,597	1,115	1,068	4,350
1980 *1*	10,098	5,792	2,309	8,101	716	398	1,281	808	1,952	1,792	1,112	1,255	4,971
2	8,768	5,615	1,313	6,928	735	418	1,105	1,057	2,066	1,899	1,165	914	3,566
3	7,721	5,205	898	6,103	756	431	862	943	2,056	1,933	843	1,503	2,376

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and financial companies and institutions accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of financial companies and institutions

TABLE 8

£ million

	Income						Allocation of income						
		Income arising in the United Kingdom					Dividends and interest, etc.						
			Rent and non-trading income					Other interest payments					
	Total	Gross trading profits[1, 2]	of the banking sector	of building societies	Other	Income from abroad (net of taxes paid abroad)	Dividends and debenture and loan interest payments[3]	by the banking sector	by building societies	Other	Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance undistributed income[5]
1974	6,508	−1,545	4,608	1,930	818	697	277	2,204	1,743	273	143	669	1,199
1975	6,495	−1,774	4,494	2,248	815	712	298	1,973	2,002	286	180	644	1,112
1976	8,168	−1,984	5,325	2,650	1,143	1,034	328	2,203	2,298	308	240	812	1,981
1977	8,777	−2,196	4,891	3,288	1,839	955	379	1,773	2,738	328	260	819	2,480
1978	9,573	−2,368	5,521	3,391	1,685	1,344	419	2,078	2,884	353	231	963	2,645
1979	14,281	−2,680	8,650	4,895	2,275	1,141	488	3,693	4,323	481	276	980	4,040
Unadjusted													
1977 *1*	2,400	− 525	1,466	828	402	229	74	610	729	87	75	690	135
2	2,258	− 539	1,216	844	500	237	123	451	690	78	76	32	808
3	2,139	− 551	1,163	828	460	239	100	382	658	83	54	55	807
4	1,980	− 581	788	477	250	82	330	661	80	55	42	730	
1978 *1*	1,881	− 565	1,020	773	382	271	78	342	616	85	59	828	− 127
2	2,230	− 580	1,303	785	409	313	150	483	588	87	59	31	832
3	2,564	− 602	1,492	870	439	365	97	562	738	87	57	62	961
4	2,898	− 621	1,706	963	455	395	94	691	942	94	56	42	979
1979 *1*	3,240	− 625	1,930	1,125	495	315	82	752	853	112	71	841	529
2	3,315	− 661	1,942	1,195	546	293	171	809	1,020	107	72	32	1,104
3	3,699	− 680	2,232	1,256	597	294	113	965	1,179	117	67	65	1,193
4	4,027	− 714	2,546	1,319	637	239	122	1,167	1,271	145	66	42	1,214
1980 *1*	4,713	− 730	2,867	1,586	658	332	118	1,350	1,445	190	80	930	600
2	5,243	− 750	3,053	1,670	715	555	205	1,475	1,482	147	100	44	1,790
3	5,284	− 780	3,041	1,722	769	532	149	1,514	1,546	151	94	79	1,751
Seasonally adjusted													
1977 *1*	2,439	− 525	1,466	839	411	248	90	610	712	87	75	188	677
2	2,212	− 539	1,216	825	488	222	93	451	695	78	76	194	625
3	2,150	− 551	1,163	833	462	243	98	382	674	83	54	217	642
4	1,976	− 581	1,046	791	478	242	98	330	657	80	55	220	536
1978 *1*	1,888	− 565	1,020	773	391	269	96	342	633	85	59	219	454
2	2,217	− 580	1,303	785	397	312	110	483	633	87	59	216	629
3	2,576	− 602	1,492	870	441	375	98	562	773	87	57	234	765
4	2,892	− 621	1,706	963	456	388	115	691	845	94	56	294	797
1979 *1*	3,254	− 625	1,930	1,125	507	317	98	752	982	112	71	194	1,045
2	3,297	− 661	1,942	1,195	534	287	123	809	1,001	107	72	240	945
3	3,715	− 680	2,232	1,256	599	308	117	965	1,098	117	67	276	1,075
4	4,015	− 714	2,546	1,319	635	229	150	1,167	1,242	145	66	270	975
1980 *1*	4,734	− 730	2,867	1,586	674	337	142	1,350	1,523	190	80	314	1,135
2	5,224	− 750	3,053	1,670	703	548	149	1,475	1,550	147	100	229	1,574
3	5,298	− 780	3,041	1,722	768	547	154	1,514	1,575	151	94	376	1,434

[1] Before providing for depreciation and stock appreciation, but the latter is negligible.

[2] This represents the contribution of financial companies and institutions to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

[4] The accrual (payments from 1977) of corporation tax income, including from 6 April 1973 advance corporation tax due from financial companies and institutions.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of public corporations

TABLE 9

£ million

		Income							Allocation of income				
			Gross trading surplus						Payments of interest and dividends				
		Total	After deducting stock appreciation	Stock appreciation	Total[1]	*Of which* subsidies	Rent and non-trading income	Income from abroad	Total	To general government	Other	UK taxes on income (payments)[2]	Balance undistributed income[3]
1974		2,997	2,214	344	2,558	1,338	409	30	1,586	1,158	428	11	1,400
1975		3,597	2,678	413	3,091	1,137	466	40	1,905	1,340	565	12	1,680
1976		5,270	4,025	477	4,502	1,034	712	56	2,395	1,649	746	2	2,873
1977		5,906	4,690	397	5,087	1,043	767	52	2,537	1,778	759	21	3,348
1978		6,300	5,022	370	5,392	1,232	842	66	2,491	1,699	792	28	3,781
1979		6,516	4,904	681	5,585	1,544	860	71	2,741	1,917	824	68	3,707
Unadjusted													
1977	*1*	1,644	1,215	210	1,425	253	207	12	721	549	172	21	902
	2	1,362	1,115	38	1,153	249	196	13	520	339	181	—	842
	3	1,319	1,040	81	1,121	261	185	13	840	659	181	—	479
	4	1,581	1,320	68	1,388	280	179	14	456	231	225	—	1,125
1978	*1*	1,598	1,264	113	1,377	274	206	15	742	559	183	28	828
	2	1,499	1,213	64	1,277	323	205	17	526	296	230	—	973
	3	1,348	1,046	80	1,126	315	208	14	683	519	164	—	665
	4	1,855	1,499	113	1,612	320	223	20	540	325	215	—	1,315
1979	*1*	1,865	1,316	308	1,624	350	223	18	846	636	210	68	951
	2	1,476	1,189	79	1,268	406	191	17	619	396	223	—	857
	3	1,313	889	182	1,071	368	225	17	729	573	156	—	584
	4	1,862	1,510	112	1,622	420	221	19	547	312	235	—	1,315
1980	*1*	2,051	1,479	324	1,803	411	222	26	753	576	177	52	1,246
	2	1,382	1,167	— 2	1,165	412	193	24	601	398	203	—	781
	3	1,324	1,089	—16	1,073	452	227	24	715	574	141	—	609
Seasonally adjusted													
1977	*1*	1,506	1,166	121	1,287	253	207	12	613	441	172	5	888
	2	1,469	1,196	64	1,260	249	196	13	675	494	181	5	789
	3	1,585	1,282	105	1,387	261	185	13	726	545	181	5	854
	4	1,346	1,046	107	1,153	280	179	14	523	298	225	6	817
1978	*1*	1,432	1,194	17	1,211	274	206	15	634	451	183	7	791
	2	1,631	1,305	104	1,409	323	205	17	628	398	230	7	996
	3	1,590	1,273	102	1,375	315	201	14	574	410	164	7	1,009
	4	1,647	1,250	147	1,397	320	230	20	655	440	215	7	985
1979	*1*	1,691	1,254	203	1,457	350	216	18	705	495	210	17	969
	2	1,619	1,277	127	1,404	406	198	17	761	538	223	17	841
	3	1,548	1,109	204	1,313	368	218	17	629	473	156	17	902
	4	1,658	1,264	147	1,411	420	228	19	646	411	235	17	995
1980	*1*	1,830	1,375	214	1,589	411	215	26	630	453	177	13	1,187
	2	1,494	1,225	45	1,270	412	200	24	744	541	203	13	737
	3	1,632	1,391	— 3	1,388	452	220	24	604	463	141	13	1,015

[1] Before providing for depreciation and stock appreciation.
[2] Payments to Inland Revenue *less* amounts deducted from dividends and interest paid.
[3] Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Fund

TABLE 10

		Receipts									
		£ million									
				Taxes on expenditure							
		Total	Taxes on income[1]	National insurance surcharge	Other taxes	National insurance contributions	National health contributions	Redundancy Fund contributions[2]	Gross trading surplus[3]	Rent, dividends and interest	Imputed charge for consumption of non-trading capital
1974		28,369	12,584	—	8,380	4,713	235	52	51	2,141	213
1975		36,577	16,658	—	10,184	6,310	451	87	76	2,532	279
1976		42,792	18,892	—	12,050	7,707	605	114	37	3,050	337
1977		49,009	20,382	977	14,198	8,679	676	153	51	3,508	385
1978		54,422	22,445	1,746	15,826	9,163	761	183	46	3,817	435
1979		65,242	25,075	2,964	20,813	10,445	881	212	38	4,304	510
Unadjusted											
1977	*1*	12,390	5,971	—	3,052	2,072	160	31	14	997	93
	2	11,742	4,743	319	3,455	2,160	169	40	13	748	95
	3	12,571	4,918	324	3,689	2,190	171	40	29	1,113	97
	4	12,306	4,750	334	4,002	2,257	176	42	— 5	650	100
1978	*1*	13,764	6,294	339	3,368	2,291	178	43	13	1,135	103
	2	12,844	5,156	363	3,930	2,222	189	45	11	822	106
	3	13,425	5,209	372	4,149	2,284	194	47	14	1,045	111
	4	14,389	5,786	672	4,379	2,366	200	48	8	815	115
1979	*1*	15,584	6,862	683	4,026	2,396	203	49	11	1,234	120
	2	15,545	6,028	727	4,890	2,561	217	52	—16	962	124
	3	16,655	5,951	760	5,639	2,683	226	54	40	1,172	130
	4	17,458	6,234	794	6,258	2,805	235	57	3	936	136
1980	*1*	20,133	8,745	806	6,041	2,853	239	58	35	1,215	141
	2	17,698	5,909	876	5,992	3,226	261	50	32	1,205	147
	3	20,805	8,312	904	6,534	3,314	269	52	9	1,258	153
Seasonally adjusted											
1977	*1*	11,815	5,291	—	3,305	2,072	160	31	14	849	93
	2	12,404	5,229	319	3,471	2,160	169	40	13	908	95
	3	12,495	5,013	324	3,615	2,190	171	40	29	1,016	97
	4	12,295	4,849	334	3,807	2,257	176	42	— 5	735	100
1978	*1*	13,072	5,474	339	3,645	2,291	178	43	13	986	103
	2	13,572	5,740	363	3,956	2,222	189	45	11	940	106
	3	13,346	5,333	372	4,051	2,284	194	47	14	940	111
	4	14,432	5,898	672	4,174	2,366	200	48	8	951	115
1979	*1*	14,918	6,048	683	4,348	2,396	203	49	11	1,060	120
	2	16,283	6,550	727	4,947	2,561	217	52	—16	1,121	124
	3	16,773	6,319	760	5,491	2,683	226	54	40	1,070	130
	4	17,268	6,158	794	6,027	2,805	235	57	3	1,053	136
1980	*1*	18,919	7,266	806	6,476	2,853	239	58	35	1,045	141
	2	18,857	6,894	876	6,004	3,226	261	50	32	1,367	147
	3	20,254	8,043	904	6,363	3,314	269	52	9	1,147	153

[1] Tax receipts less tax credits.
[2] These include, from April 1977, contributions to the Maternity Pay Fund.
[3] Before providing for depreciation and stock appreciation.

Current account of central government including National Insurance Fund

TABLE 10 *(continued)*

		Expenditure												
		£ million												
				Final consumption										
		Total	Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits[1]	Other current grants to personal sector[1]	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus[2]
1974		28,369	27,541	9,974	4,011	3,575	2,388	2,716	4,925	2,636	2,232	4,738	320	828
1975		36,577	37,263	13,298	5,095	4,911	3,292	3,246	6,382	3,485	2,759	7,726	367	− 686
1976		42,792	44,943	15,832	6,139	5,792	3,901	2,995	7,929	4,278	3,736	9,387	786	−2,151
1977		49,009	49,786	17,432	6,757	6,479	4,196	2,841	9,245	5,144	4,642	9,370	1,112	− 777
1978		54,422	57,180	19,548	7,460	7,368	4,720	3,130	10,530	6,491	5,629	10,148	1,704	−2,758
1979		65,242	66,791	22,824	8,975	8,538	5,311	3,612	11,891	8,141	6,834	11,415	2,074	−1,549
Unadjusted														
1977	*1*	12,390	12,246	4,189	1,605	1,534	1,050	767	2,257	1,094	1,246	2,379	314	144
	2	11,742	12,249	4,289	1,655	1,609	1,025	706	2,234	1,308	1,042	2,399	271	− 507
	3	12,571	12,446	4,440	1,753	1,643	1,044	659	2,277	1,302	1,270	2,202	296	125
	4	12,306	12,845	4,514	1,744	1,693	1,077	709	2,477	1,440	1,084	2,390	231	− 539
1978	*1*	13,764	14,019	4,750	1,789	1,769	1,192	745	2,603	1,344	1,467	2,536	574	− 255
	2	12,844	13,892	4,759	1,855	1,751	1,153	769	2,588	1,622	1,178	2,627	349	−1,048
	3	13,425	14,359	4,933	1,869	1,897	1,167	794	2,587	1,654	1,545	2,425	421	− 934
	4	14,389	14,910	5,106	1,947	1,951	1,208	822	2,752	1,871	1,439	2,560	360	− 521
1979	*1*	15,584	15,846	5,299	2,016	1,962	1,321	845	2,911	1,711	1,688	2,765	627	− 262
	2	15,545	16,345	5,523	2,217	2,061	1,245	962	2,834	2,158	1,529	2,881	458	− 800
	3	16,655	16,780	5,880	2,320	2,205	1,355	833	2,831	2,032	1,932	2,786	486	− 125
	4	17,458	17,820	6,122	2,422	2,310	1,390	972	3,315	2,240	1,685	2,983	503	− 362
1980	*1*	20,133	19,164	6,542	2,490	2,452	1,600	983	3,502	2,168	2,360	3,063	546	969
	2	17,698	19,882	7,128	2,862	2,679	1,587	1,064	3,460	2,536	1,758	3,417	519	−2,184
	3	20,805	20,871	7,600	3,001	2,806	1,793	1,049	3,536	2,484	2,521	3,192	489	− 66
Seasonally adjusted														
1977	*1*	11,815	11,938	4,140	1,609	1,532	999	723	2,180	1,187	1,175	2,293	240	− 123
	2	12,404	12,338	4,310	1,659	1,598	1,053	721	2,257	1,274	1,133	2,349	294	66
	3	12,495	12,632	4,465	1,751	1,651	1,063	681	2,354	1,334	1,149	2,323	326	− 137
	4	12,295	12,878	4,517	1,738	1,698	1,081	716	2,454	1,349	1,185	2,405	252	− 583
1978	*1*	13,072	13,508	4,693	1,793	1,768	1,132	711	2,506	1,463	1,211	2,460	464	− 436
	2	13,572	14,142	4,778	1,859	1,738	1,181	776	2,612	1,568	1,459	2,557	392	− 570
	3	13,346	14,639	4,965	1,867	1,905	1,193	819	2,683	1,685	1,460	2,561	486	−1,293
	4	14,432	14,891	5,112	1,941	1,957	1,214	824	2,729	1,775	1,499	2,570	382	− 459
1979	*1*	14,918	15,473	5,241	2,021	1,963	1,257	810	2,823	1,838	1,587	2,688	486	− 555
	2	16,283	16,394	5,540	2,222	2,045	1,273	968	2,886	2,051	1,638	2,792	519	− 111
	3	16,773	17,115	5,916	2,317	2,213	1,386	855	2,968	2,039	1,858	2,940	539	− 342
	4	17,268	17,809	6,127	2,415	2,317	1,395	979	3,214	2,213	1,751	2,995	530	− 541
1980	*1*	18,919	18,677	6,475	2,496	2,453	1,526	945	3,392	2,326	2,111	2,973	450	242
	2	18,857	20,018	7,148	2,868	2,660	1,620	1,070	3,516	2,403	2,016	3,303	562	−1,161
	3	20,254	21,007	7,640	2,997	2,816	1,827	1,073	3,695	2,492	2,204	3,377	526	− 753

[1] National insurance benefits includes the bulk of the pensioners' Christmas bonuses paid in 1974 and 1979; all the bonuses paid in 1977 and 1978 are included in other current grants to personal sector.

[2] Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11

	Receipts							
	£ million							
	Total	Current grants from central government	Rates		Gross trading surplus[2]	Rent	Dividends and interest	Imputed charge for consumption of non-trading capital
			Cash receipts	Accruals adjustment[1]				
1974	9,847	4,738	3,083	6	97	1,206	342	375
1975	14,137	7,726	4,127	−149	65	1,476	423	469
1976	16,786	9,387	4,646	−143	73	1,798	463	562
1977	17,633	9,370	5,249	−172	96	1,971	485	634
1978	19,327	10,148	5,779	− 98	118	2,177	484	719
1979	21,924	11,415	6,761	−177	93	2,447	535	850
Unadjusted								
1977 *1*	4,319	2,379	786	379	21	487	119	148
2	4,473	2,399	1,461	−169	22	491	115	154
3	4,312	2,202	1,312	− 8	26	493	125	162
4	4,529	2,390	1,690	−374	27	500	126	170
1978 *1*	4,714	2,536	776	551	29	515	134	173
2	4,916	2,627	1,772	−333	30	532	111	177
3	4,754	2,425	1,346	106	30	553	112	182
4	4,943	2,560	1,885	−422	29	577	127	187
1979 *1*	5,177	2,765	824	649	28	569	147	195
2	5,532	2,881	2,082	−389	26	612	115	205
3	5,482	2,786	1,611	92	21	625	130	217
4	5,733	2,983	2,244	−529	18	641	143	233
1980 *1*	5,885	3,063	900	826	15	661	180	240
2	6,653	3,417	2,675	−532	14	693	139	247
3	6,827	3,192	2,125	29	11	756	161	253
Seasonally adjusted								
1977 *1*	4,277	2,293	1,210		21	487	118	148
2	4,389	2,349	1,252		22	491	121	154
3	4,413	2,323	1,289		26	493	120	162
4	4,554	2,405	1,326		27	500	126	170
1978 *1*	4,667	2,460	1,363		29	515	127	173
2	4,810	2,557	1,399		30	532	115	177
3	4,878	2,561	1,438		30	553	114	182
4	4,972	2,570	1,481		29	577	128	187
1979 *1*	5,150	2,688	1,533		28	569	137	195
2	5,364	2,792	1,599		26	612	130	205
3	5,616	2,940	1,680		21	625	133	217
4	5,794	2,995	1,772		18	641	135	233
1980 *1*	5,863	2,978	1,799		15	661	170	240
2	6,440	3,303	2,029		14	693	154	247
3	6,687	3,377	2,126		11	756	164	253

[1] Adjustments to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.
[2] Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11 (*continued*)

	Expenditure								
	£ million								
	Total	Total current expenditure	Final consumption			Subsidies	Current grants to personal sector	Debt interest	Balance: current surplus[1]
			Total	Education	Other				
1974	9,847	9,284	6,635	3,207	3,428	288	315	2,046	563
1975	14,137	12,982	9,776	4,973	4,803	457	416	2,333	1,155
1976	16,786	14,731	10,947	5,404	5,543	473	554	2,757	2,055
1977	17,633	15,901	11,777	5,818	5,959	458	702	2,964	1,732
1978	19,327	17,700	13,386	6,472	6,914	531	853	2,930	1,627
1979	21,924	20,573	15,492	7,312	8,180	694	936	3,451	1,351
Unadjusted									
1977 *1*	4,319	4,100	2,851	1,416	1,435	116	194	939	219
2	4,473	3,823	2,968	1,480	1,488	118	196	541	650
3	4,312	4,070	2,928	1,429	1,499	119	194	829	242
4	4,529	3,908	3,030	1,493	1,537	105	118	655	621
1978 *1*	4,714	4,530	3,222	1,544	1,678	120	272	916	184
2	4,916	4,271	3,314	1,634	1,680	128	269	560	645
3	4,754	4,404	3,319	1,579	1,740	135	192	758	350
4	4,943	4,495	3,531	1,715	1,816	148	120	696	448
1979 *1*	5,177	5,041	3,576	1,733	1,843	158	270	1,037	136
2	5,532	4,898	3,793	1,779	2,014	172	271	662	634
3	5,482	5,423	4,016	1,889	2,127	190	245	972	59
4	5,733	5,211	4,107	1,911	2,196	174	150	780	522
1980 *1*	5,885	6,117	4,330	2,000	2,330	202	346	1,239	−232
2	6,653	5,894	4,528	2,052	2,476	217	349	800	759
3	6,527	6,533	4,786	2,320	2,466	251	266	1,230	− 6
Seasonally adjusted									
1977 *1*	4,277	3,859	2,833	1,398	1,435	116	162	748	418
2	4,389	3,962	2,952	1,464	1,488	118	170	722	427
3	4,413	4,047	2,978	1,479	1,499	119	181	769	366
4	4,554	4,033	3,014	1,477	1,537	105	189	725	521
1978 *1*	4,667	4,246	3,202	1,524	1,678	120	204	720	421
2	4,810	4,376	3,295	1,615	1,680	128	210	743	434
3	4,878	4,421	3,375	1,635	1,740	135	217	694	457
4	4,972	4,657	3,514	1,698	1,816	148	222	773	315
1979 *1*	5,150	4,745	3,554	1,711	1,843	158	225	808	405
2	5,364	5,048	3,770	1,756	2,014	172	229	877	316
3	5,616	5,398	4,080	1,953	2,127	190	235	893	218
4	5,794	5,382	4,088	1,892	2,196	174	247	873	412
1980 *1*	5,863	5,734	4,304	1,974	2,330	202	262	966	129
2	6,440	6,055	4,500	2,024	2,476	217	279	1,059	385
3	6,687	6,535	4,864	2,398	2,466	251	286	1,134	152

[1] Before providing for depreciation and stock appreciation.

International transactions

TABLE 12

	United Kingdom credits							
	£ million							
	At current prices						Revalued at 1975 prices	
		Exports and property income from abroad			Current transfers			
	Total credits	Exports of goods[1]	Exports of services	Property income from abroad[2]	To personal sector	To central government	Exports of goods[1]	Exports of services
1974	26,795	16,395	6,590	3,318	357	135	20,138	7,557
1975	30,637	19,330	7,681	2,864	393	369	19,330	7,681
1976	39,934	25,193	10,018	3,931	537	255	21,242	8,252
1977	48,237	31,734	11,618	3,970	614	301	22,889	8,571
1978	53,630	35,071	12,371	5,015	712	461	23,488	8,546
1979	63,284	40,689	13,987	7,315	739	554	24,327	8,569
Unadjusted								
1977 *1*	11,196	7,488	2,521	958	148	81	5,618	1,911
2	12,061	8,004	2,824	1,020	151	62	5,790	2,090
3	12,680	8,116	3,366	978	157	63	5,784	2,456
4	12,300	8,126	2,907	1,014	158	95	5,697	2,114
1978 *1*	12,266	8,210	2,729	1,075	163	89	5,678	1,975
2	13,583	9,120	2,924	1,274	181	84	6,148	2,012
3	13,701	8,502	3,596	1,301	182	120	5,633	2,455
4	14,080	9,239	3,122	1,365	186	168	6,029	2,104
1979 *1*	13,358	8,428	2,976	1,662	187	105	5,304	1,953
2	16,144	10,794	3,314	1,725	185	126	6,619	2,082
3	16,442	10,108	4,004	2,007	179	144	5,901	2,412
4	17,340	11,359	3,693	1,921	188	179	6,443	2,122
1980 *1*	17,866	11,982	3,556	1,915	185	228	6,419	2,003
2	18,083	11,873	3,771	2,086	189	164	6,241	2,064
3	17,862	11,377	4,348	1,750	190	197	5,890	2,325
Seasonally adjusted								
1977 *1*	11,442	7,428	2,783	1,002	148	81	5,578	2,109
2	11,907	7,827	2,886	981	151	62	5,663	2,132
3	12,616	8,423	2,984	989	157	63	5,999	2,172
4	12,272	8,056	2,965	998	158	95	5,649	2,158
1978 *1*	12,736	8,390	2,996	1,098	163	89	5,802	2,167
2	13,190	8,676	2,998	1,251	181	84	5,849	2,054
3	13,730	8,933	3,182	1,313	182	120	5,918	2,178
4	13,974	9,072	3,195	1,353	186	168	5,919	2,147
1979 *1*	13,652	8,373	3,280	1,707	187	105	5,269	2,143
2	16,063	10,658	3,400	1,694	185	126	6,537	2,126
3	16,516	10,641	3,541	2,011	179	144	6,274	2,137
4	17,053	11,017	3,766	1,903	188	179	6,247	2,163
1980 *1*	18,272	11,935	3,949	1,975	185	228	6,393	2,218
2	18,056	11,803	3,866	2,034	189	164	6,204	2,113
3	17,795	11,827	3,819	1,762	190	197	6,123	2,065

[1] On a balance of payments basis.
[2] Net of foreign taxes.
[3] Net of UK taxes.
[4] Equal to the current balance in the balance of payments accounts.

International transactions

TABLE 12 (*continued*)

	United Kingdom debits									
	£ million									
	At current prices								Revalued at 1975 prices	
			Imports and property income paid abroad			Current transfers				
	Total[1]	Total debits	Imports of goods[1]	Imports of services	Property income paid abroad[3]	From personal sector	From central government	Balance: net investment and capital transfers abroad[4]	Imports of goods[1]	Imports of services
1974	26,795	30,174	21,745	5,630	1,890	454	455	−3,379	24,814	6,402
1975	30,637	32,311	22,663	6,316	2,093	503	736	−1,674	22,663	6,316
1976	39,934	41,050	29,120	7,754	2,626	509	1,041	−1,116	23,991	6,222
1977	48,237	48,521	34,013	8,557	3,924	614	1,413	− 284	24,449	6,142
1978	53,630	53,010	36,617	8,885	4,495	848	2,165	620	25,527	6,243
1979	63,284	64,954	44,093	10,408	6,833	992	2,628	−1,670	28,482	6,768
Unadjusted										
1977 *1*	11,196	11,871	8,576	1,888	867	145	395	− 675	6,241	1,367
2	12,061	12,560	8,905	2,094	1,093	135	333	− 499	6,407	1,492
3	12,680	12,185	8,269	2,473	931	153	359	495	5,926	1,765
4	12,300	11,905	8,263	2,102	1,033	181	326	395	5,875	1,518
1978 *1*	12,266	12,745	8,928	1,927	999	228	663	− 479	6,361	1,403
2	13,583	13,341	9,312	2,235	1,156	205	433	242	6,484	1,567
3	13,701	13,348	8,982	2,574	1,040	211	541	353	6,214	1,807
4	14,080	13,576	9,395	2,149	1,300	204	528	504	6,468	1,466
1979 *1*	13,358	14,518	10,103	2,143	1,320	220	732	−1,160	6,706	1,461
2	16,144	16,529	11,378	2,567	1,795	205	584	− 385	7,426	1,691
3	16,442	16,209	10,621	3,041	1,642	275	630	233	6,925	2,005
4	17,340	17,698	11,991	2,657	2,076	292	682	− 358	7,425	1,611
1980 *1*	17,866	18,242	12,668	2,588	1,939	273	774	− 376	7,231	1,586
2	18,083	18,358	12,212	2,901	2,291	271	683	− 275	7,133	1,779
3	17,862	16,698	10,636	3,425	1,680	271	686	1,164	6,319	2,109
Seasonally adjusted										
1977 *1*	11,442	11,977	8,518	2,085	908	145	321	− 535	6,204	1,514
2	11,907	12,374	8,762	2,103	1,018	135	356	− 467	6,302	1,497
3	12,616	12,268	8,529	2,199	998	153	389	348	6,113	1,561
4	12,272	11,902	8,204	2,170	1,000	181	347	370	5,830	1,570
1978 *1*	12,736	13,007	9,035	2,153	1,038	228	553	− 271	6,436	1,572
2	13,190	12,839	8,875	2,239	1,044	205	476	351	6,180	1,568
3	13,730	13,591	9,415	2,236	1,143	211	586	139	6,514	1,562
4	13,974	13,573	9,292	2,257	1,270	204	550	401	6,397	1,541
1979 *1*	13,652	14,571	9,975	2,412	1,373	220	591	− 919	6,623	1,653
2	16,063	16,285	11,183	2,562	1,690	205	645	− 222	7,301	1,689
3	16,516	16,456	11,133	2,622	1,743	275	683	60	7,255	1,715
4	17,053	17,642	11,802	2,812	2,027	292	709	− 589	7,303	1,711
1980 *1*	18,272	18,463	12,568	2,930	2,014	273	678	− 191	7,172	1,810
2	18 056	18 120	12,065	2,905	2,153	271	726	− 64	7,045	1,784
3	17,795	16,719	11,053	2,885	1,787	271	723	1,076	6,561	1,764

See footnotes on page 92.

Summary capital account

TABLE 13

	Receipts										
	£ million										
		Saving[1]					Capital transfers (net)				
	Total	Total	Personal sector	Companies	Public corporations	General government	Personal sector	Companies	Public corporations[2]	General government[2]	Residual error
1974	20,525	20,392	8,205	9,396	1,400	1,391	−324	142	213	− 106	208
1975	22,559	22,297	9,344	10,804	1,680	469	−305	339	283	− 317	262
1976	29,867	28,047	10,017	15,253	2,873	− 96	− 57	260	377	− 580	1,820
1977	32,134	31,060	10,009	16,748	3,348	955	82	150	427	− 659	1,074
1978	35,707	34,815	13,908	18,257	3,781	−1,131	301	305	495	−1,101	892
1979	43,278	43,038	17,628	21,901	3,707	− 198	167	130	493	− 790	240
Unadjusted											
1977 *1*	7,974	8,371	3,127	3,979	902	363	36	33	151	− 220	− 397
2	7,281	7,900	2,591	4,324	842	143	2	67	99	− 168	− 619
3	8,109	7,503	2,607	4,050	479	367	28	31	79	− 138	606
4	8,770	7,286	1,684	4,395	1,125	82	16	19	98	− 133	1,484
1978 *1*	7,798	7,774	3,278	3,739	828	− 71	64	170	177	− 411	24
2	8,862	9,492	3,914	5,008	973	− 403	72	49	91	− 212	− 630
3	9,036	8,567	3,791	4,695	665	− 584	75	55	115	− 245	469
4	10,011	8,982	2,925	4,815	1,315	− 73	90	31	112	− 233	1,029
1979 *1*	9,449	10,181	4,767	4,589	951	− 126	40	− 17	133	− 156	− 732
2	10,049	10,555	4,088	5,776	857	− 166	43	81	103	− 227	− 506
3	11,499	11,104	4,631	5,955	584	− 66	24	63	114	− 201	395
4	12,281	11,198	4,142	5,581	1,315	160	60	3	143	− 206	1,083
1980 *1*	11,479	12,762	5,760	5,019	1,246	737	68	− 26	149	− 191	−1,283
2	10,520	11,550	6,516	5,678	781	−1,425	79	50	128	− 257	−1,030
3	10,532	10,627	6,632	3,458	609	− 72	110	88	140	− 338	− 95
Seasonally adjusted											
1977 *1*	7,912	8,048	2,411	4,454	888	295	33	52	113	− 198	− 136
2	7,624	7,713	2,149	4,282	789	493	16	53	124	− 193	− 89
3	8,137	7,723	2,528	4,112	854	229	32	19	92	− 143	414
4	8,461	7,576	2,921	3,900	817	− 62	1	26	98	− 125	885
1978 *1*	7,882	7,414	2,363	4,275	791	− 15	60	193	134	− 387	468
2	9,268	9,226	3,479	4,887	996	− 136	86	27	110	− 223	42
3	9,022	8,739	3,893	4,673	1,009	− 836	82	43	139	− 264	283
4	9,535	9,436	4,173	4,422	985	− 144	73	42	112	− 227	99
1979 *1*	9,455	9,843	4,046	4,978	969	− 150	39	30	103	− 172	− 388
2	10,461	10,024	3,197	5,781	841	205	54	50	119	− 223	437
3	11,714	11,340	4,745	5,817	902	− 124	30	44	131	− 205	374
4	11,648	11,831	5,640	5,325	995	− 129	44	6	140	− 190	− 183
1980 *1*	11,394	12,137	4,473	6,106	1,187	371	61	13	125	− 199	− 743
2	11,111	10,924	5,823	5,140	737	− 776	94	21	141	− 256	187
3	10,827	10,975	6,751	3,810	1,015	− 601	119	75	154	− 348	− 148

[1] Before providing for depreciation, stock appreciation, and additions to reserves.
[2] Excluding financial transactions on the writing-off of debt.

Summary capital account

TABLE 13 (*continued*)

Payments

£ million

		Gross capital formation[1]					Balance: net investment abroad[2]	Net acquisition of financial assets[3]			
		Total	Total	Personal sector	Companies	Public corporations	General government		Personal sector	Companies	Public corporations	General government
1974		20,525	23,979	2,869	13,517	3,143	4,450	−3,454	5,012	−3,979	−1,530	−3,165
1975		22,559	24,233	3,397	11,016	4,756	5,064	−1,674	5,642	127	−2,793	−4,912
1976		29,867	30,983	4,304	15,692	5,504	5,483	−1,116	5,656	− 179	−2,254	−6,159
1977		32,134	32,418	5,214	17,265	5,004	4,935	− 284	4,877	− 367	−1,229	−4,639
1978		35,707	35,087	6,011	18,984	5,351	4,741	620	8,198	− 422	−1,075	−6,973
1979		43,278	44,948	7,465	25,927	6,317	5,239	−1,670	10,330	−3,896	−2,117	−6,227
Unadjusted												
1977	*1*	7,974	8,649	1,242	4,564	1,278	1,565	− 675	1,921	− 552	− 225	−1,422
	2	7,281	7,780	1,332	4,309	1,132	1,007	− 499	1,261	82	− 191	−1,032
	3	8,109	7,614	1,202	3,949	1,292	1,171	495	1,433	132	− 734	− 942
	4	8,770	8,375	1,438	4,443	1,302	1,192	395	262	− 29	− 79	−1,243
1978	*1*	7,798	8,277	1,307	4,293	1,194	1,483	− 479	2,035	− 384	− 189	−1,965
	2	8,862	8,620	1,561	4,778	1,319	962	242	2,425	279	− 255	−1,577
	3	9,036	8,683	1,456	4,699	1,383	1,145	353	2,410	51	− 603	−1,974
	4	10,011	9,507	1,687	5,214	1,455	1,151	504	1,328	− 368	− 28	−1,457
1979	*1*	9,449	10,609	1,473	6,005	1,631	1,500	−1,160	3,334	−1,433	− 547	−1,782
	2	10,049	10,434	1,895	6,149	1,367	1,023	− 385	2,236	− 292	− 407	−1,416
	3	11,499	11,266	1,703	6,496	1,711	1,356	233	2,952	− 478	−1,013	−1,623
	4	12,281	12,639	2,394	7,277	1,608	1,360	− 358	1,808	−1,693	− 150	−1,406
1980	*1*	11,479	11,855	2,008	6,284	1,863	1,700	− 376	3,820	−1,291	− 468	−1,154
	2	10,520	10,795	2,057	5,795	1,799	1,144	− 275	4,538	− 67	− 890	−2,826
	3	10,532	9,368	1,820	4,240	1,893	1,415	1,164	4,922	− 694	−1,144	−1,825
Seasonally adjusted												
1977	*1*	7,912	8,447	1,289	4,649	1,225	1,284	− 535	1,155	− 143	− 224	−1,187
	2	7,624	8,091	1,266	4,403	1,215	1,207	− 467	899	− 68	− 302	− 907
	3	8,137	7,789	1,282	3,994	1,283	1,230	348	1,278	137	− 337	−1,144
	4	8,461	8,091	1,377	4,219	1,281	1,214	370	1,545	− 293	− 366	−1,401
1978	*1*	7,882	8,153	1,376	4,444	1,125	1,208	− 271	1,047	24	− 200	−1,610
	2	9,268	8,917	1,480	4,842	1,428	1,167	351	2,085	72	− 322	−1,526
	3	9,022	8,883	1,558	4,762	1,367	1,196	139	2,417	− 46	− 219	−2,296
	4	9,535	9,134	1,597	4,936	1,431	1,170	401	2,649	− 472	− 334	−1,541
1979	*1*	9,455	10,374	1,557	6,056	1,553	1,208	− 919	2,528	−1,048	− 481	−1,530
	2	10,461	10,683	1,810	6,145	1,488	1,240	− 222	1,441	− 314	− 528	−1,258
	3	11,714	11,654	1,829	6,721	1,698	1,406	60	2,946	− 860	− 665	−1,735
	4	11,648	12,237	2,269	7,005	1,578	1,385	− 589	3,415	−1,674	− 443	−1,704
1980	*1*	11,394	11,585	2,119	6,343	1,770	1,353	− 191	2,415	− 224	− 458	−1,181
	2	11,111	11,175	1,943	5,908	1,936	1,388	− 64	3,974	− 747	−1,058	−2,420
	3	10,827	9,751	1,967	4,437	1,870	1,477	1,076	4,903	− 552	− 701	−2,426

[1] Gross fixed capital formation *plus* the increase in book value of stocks and work in progress.
[2] Equals, apart from the change in sign, the net acquisition of financial assets by the overseas sector.
[3] This balance is equal to saving *plus* capital transfers *less* gross capital formation.

Gross domestic fixed capital formation by sector and by type of asset

TABLE 14

	£ million								
	Total	Private sector[1]	General government[1]	Public corporations[1]	Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new building and works[2]
							Private	Public	
At current prices									
1974	16,867	9,638	4,376	2,853	1,839	5,676	1,706	1,481	6,165
1975	20,417	11,530	4,974	3,913	2,039	6,685	2,182	1,964	7,547
1976	23,599	13,510	5,396	4,693	2,399	8,196	2,414	2,310	8,280
1977	25,739	16,176	4,799	4,764	3,105	9,650	2,460	2,215	8,309
1978	29,695	20,124	4,603	4,968	3,761	11,391	3,151	2,200	9,192
1979	33,646	22,973	5,103	5,570	4,377	13,155	3,275	2,323	10,516
Unadjusted									
1977 *1*	6,175	3,376	1,540	1,259	718	2,318	489	646	2,004
2	6,013	3,965	983	1,065	767	2,150	589	487	2,020
3	6,397	4,110	1,114	1,173	784	2,430	643	525	2,015
4	7,154	4,725	1,162	1,267	836	2,752	739	557	2,270
1978 *1*	7,406	4,672	1,452	1,282	1,012	2,754	769	651	2,220
2	7,036	4,968	934	1,134	970	2,653	768	457	2,188
3	7,305	4,992	1,099	1,214	909	2,807	752	566	2,271
4	7,948	5,492	1,118	1,338	870	3,177	862	526	2,513
1979 *1*	7,837	4,930	1,471	1,436	1,049	3,113	669	601	2,405
2	7,701	5,516	977	1,208	1,222	2,934	766	474	2,305
3	8,458	5,736	1,313	1,409	1,038	3,259	786	603	2,772
4	9,650	6,791	1,342	1,517	1,068	3,849	1,054	645	3,034
1980 *1*	9,582	6,232	1,660	1,690	1,288	3,673	825	774	3,022
2	9,148	6,514	1,065	1,569	1,281	3,495	911	525	2,936
3	9,542	6,554	1,318	1,670	1,106	3,777	856	604	3,199
Revalued at 1975 prices									
1974	20,616	11,641	5,418	3,557	2,326	6,989	2,004	1,822	7,475
1975	20,417	11,530	4,974	3,913	2,039	6,685	2,182	1,964	7,547
1976	20,636	11,811	4,786	4,039	2,023	6,859	2,180	2,083	7,491
1977	20,089	12,438	3,964	3,687	2,152	7,052	2,033	1,861	6,991
1978	20,802	13,793	3,520	3,489	2,169	7,579	2,313	1,735	7,006
1979	20,506	13,761	3,352	3,393	2,275	8,106	1,994	1,581	6,550
Unadjusted									
1977 *1*	5,011	2,710	1,297	1,004	546	1,756	421	554	1,734
2	4,781	3,119	822	840	548	1,590	497	414	1,732
3	4,938	3,124	916	898	532	1,753	528	439	1,686
4	5,359	3,485	929	945	526	1,953	587	454	1,839
1978 *1*	5,399	3,318	1,146	935	603	1,898	598	529	1,771
2	5,004	3,468	727	809	568	1,776	579	368	1,713
3	5,071	3,387	836	848	513	1,852	543	444	1,719
4	5,328	3,620	811	897	485	2,053	593	394	1,803
1979 *1*	5,086	3,134	1,027	925	578	1,966	442	438	1,662
2	4,793	3,372	662	759	647	1,827	487	333	1,499
3	5,105	3,403	849	853	532	2,002	474	408	1,689
4	5,522	3,852	814	856	518	2,311	591	402	1,700
1980 *1*	5,251	3,368	956	927	608	2,127	442	462	1,612
2	4,806	3,404	585	817	591	1,970	467	300	1,478
3	4,850	3,335	682	833	491	2,086	422	329	1,522
Seasonally adjusted									
1977 *1*	4,883	2,892	1,079	912	522	1,685	444	496	1,736
2	5,065	3,149	988	928	556	1,740	505	470	1,794
3	4,997	3,119	953	925	541	1,792	542	440	1,682
4	5,144	3,278	944	922	533	1,835	542	455	1,779
1978 *1*	5,287	3,493	938	856	579	1,857	641	469	1,741
2	5,282	3,499	889	894	557	1,926	580	425	1,794
3	5,136	3,401	868	867	525	1,891	553	446	1,721
4	5,097	3,400	825	872	508	1,905	539	395	1,750
1979 *1*	4,998	3,318	818	862	559	1,937	479	383	1,640
2	5,052	3,401	820	831	625	1,998	490	388	1,551
3	5,182	3,436	882	864	551	2,045	487	406	1,693
4	5,274	3,606	832	836	540	2,126	538	404	1,666
1980 *1*	5,169	3,547	765	857	593	2,120	481	402	1,573
2	5,058	3,429	741	888	570	2,154	467	351	1,516
3	4,923	3,357	719	847	507	2,141	431	327	1,517

[1] Including purchases *less* sales of land and existing buildings.
[2] Including transfer costs of land and buildings.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

		Total	Petroleum and natural gas	Other mining and quarrying	Manufacturing[1]	Gas, electricity and water	Transport and communication	Distributive trades[1]	Other industries[2]	Dwellings	Public services	Transfer costs of land and buildings
At current prices												
1974		16,867	594	139	3,067	952	1,993	976	2,939	3,187	2,525	495
1975		20,417	1,369	201	3,522	1,263	2,204	1,034	3,057	4,146	2,996	625
1976		23,599	2,070	289	3,936	1,403	2,390	1,132	3,582	4,724	3,373	700
1977		25,739	2,108	369	4,801	1,356	2,774	1,536	4,306	4,675	3,024	790
1978		29,695	2,168	525	5,721	1,430	3,027	1,767	5,609	5,351	3,076	1,021
1979		33,646	2,062	622	6,583	1,593	3 151	2,276	6,925	5,598	3,503	1,333
1977	*1*	6,175	304	94	1,094	393	690	333	1,011	1,135	960	161
	2	6,013	708	74	1,086	285	656	360	969	1,076	615	184
	3	6,397	519	97	1,217	341	672	399	1,051	1,168	717	216
	4	7,154	577	104	1,404	337	756	444	1,275	1,296	732	229
1978	*1*	7,406	446	152	1,329	378	800	403	1,355	1,420	896	227
	2	7,036	636	102	1,333	305	759	429	1,356	1,225	644	247
	3	7,305	561	128	1,424	359	743	430	1,332	1,318	742	268
	4	7,948	525	143	1,635	388	725	505	1,566	1,388	794	279
1979	*1*	7,837	412	172	1,514	405	761	483	1,563	1,270	998	259
	2	7,701	418	129	1,483	344	822	520	1,778	1,240	663	304
	3	8,458	596	164	1,655	411	759	602	1,636	1,389	870	376
	4	9,650	636	157	1,931	433	809	671	1,948	1,699	972	394
1980	*1*	9,582	477	272	1,711	524	995	608	1,895	1,599	1,147	354
	2	9,148	595	174	1,633	471	1,032	616	1,959	1,436	861	371
	3	9,542	583	215	1,735	529	977	654	1,977	1,460	1,040	372
Revalued at 1975 prices												
1974		20,616	698	172	3,782	1,197	2,437	1,191	3,533	3,826	3,263	517
1975		20,417	1,369	201	3,522	1,263	2,204	1,034	3,057	4,146	2,996	625
1976		20,636	1,843	248	3,326	1,217	2,024	989	3,144	4,263	2,949	633
1977		20,089	1,699	277	3,510	1,055	2,054	1,160	3,316	3,894	2,463	661
1978		20,802	1,577	358	3,773	1,013	1,928	1,210	3,878	4,048	2,290	727
1979		20,506	1,292	374	3,873	984	1,798	1,388	4,317	3,575	2,210	695
Unadjusted												
1977	*1*	5,011	251	74	841	315	539	264	814	975	798	140
	2	4,781	588	58	808	224	498	277	753	911	504	160
	3	4,938	412	71	877	264	491	299	797	967	582	178
	4	5,359	448	74	984	252	526	320	952	1,041	579	183
1978	*1*	5,399	336	106	909	278	516	283	974	1,127	694	176
	2	5,004	475	71	886	220	492	297	940	947	489	187
	3	5,071	401	88	933	252	464	293	919	987	548	186
	4	5,328	365	93	1,045	263	456	337	1,045	987	559	178
1979	*1*	5,086	281	107	938	269	458	308	1,005	880	677	163
	2	4,793	273	79	891	220	471	322	1,118	820	432	167
	3	5,105	368	98	968	248	434	366	1,016	882	542	183
	4	5,522	370	90	1,076	247	435	392	1,178	993	559	182
1980	*1*	5,251	259	151	916	286	506	340	1,094	904	629	166
	2	4,806	315	93	838	243	510	329	1,093	767	444	174
	3	4,850	298	110	867	262	465	339	1,086	751	508	164
Seasonally adjusted												
1977	*1*	4,883	293	61	837	276	526	272	811	940	716	151
	2	5,065	602	68	873	261	526	285	779	975	536	160
	3	4,997	384	72	889	266	501	305	831	982	596	171
	4	5,144	420	76	911	252	501	298	895	997	615	179
1978	*1*	5,287	397	86	918	245	501	295	978	1,110	568	189
	2	5,282	484	84	960	255	506	306	960	1,005	535	187
	3	5,136	365	90	942	253	478	295	962	999	575	177
	4	5,097	331	98	953	260	443	314	978	934	612	174
1979	*1*	4,998	336	86	965	242	445	318	1,014	862	556	174
	2	5,052	278	95	962	251	479	334	1,151	878	456	168
	3	5,182	339	99	969	248	449	370	1,064	893	576	175
	4	5,274	339	94	977	243	425	366	1,088	942	622	178
1980	*1*	5,169	310	122	948	253	503	353	1,110	883	510	177
	2	5,058	323	111	901	280	514	342	1,147	818	447	175
	3	4,923	273	111	867	261	482	342	1,147	758	525	157

[1] Further details are given in the *Monthly Digest of Statistics*.
[2] Covers agriculture, forestry, fishing, construction and other service industries.

Value of physical increase in stocks and work in progress

TABLE 16

£ million

	At current prices					Revalued at 1975 prices				
			Distributive trades					Distributive trades		
	All industries	Manufacturing[1]	Retail	Wholesale	Other industries	All industries	Manufacturing[1]	Retail	Wholesale	Other industries
Book values end-December										
1979	*65,586*	*36,406*	*7,005*	*8,675*	*13,500*	*36,693*	*20,111*	*4,251*	*4,849*	*7,482*
1973	1,448	676	261	312	199	2,483	1,170	633	432	248
1974	1,304	1,104	−152	323	29	1,428	1,281	−185	361	− 29
1975	−1,534	−1,102	−106	−247	− 79	−1,534	−1,102	−106	−247	− 79
1976	864	476	269	182	− 63	654	363	228	131	− 68
1977	1,860	791	90	621	358	1,327	580	72	412	263
1978	1,070	349	479	− 57	299	843	335	328	− 15	195
1979	2,760	337	679	302	1,442	1,610	166	421	178	845
Unadjusted										
1977 *1*	564	418	120	155	− 129	395	315	95	76	− 91
2	691	281	− 5	258	157	526	214	− 4	195	121
3	122	− 140	− 59	97	224	72	− 107	− 44	58	165
4	483	232	34	111	106	334	158	25	83	68
1978 *1*	− 31	88	27	8	− 154	85	150	19	12	− 96
2	448	76	147	−146	371	330	69	103	− 92	250
3	377	− 98	102	174	199	253	− 63	70	121	125
4	276	283	203	− 93	− 117	175	179	136	− 56	− 84
1979 *1*	763	− 68	99	29	703	563	− 32	65	37	493
2	628	196	47	187	198	338	127	30	113	68
3	627	148	147	89	243	329	70	92	35	132
4	742	61	386	− 3	298	380	1	234	− 7	152
1980 *1*	− 800	− 815	−186	−282	483	− 418	− 409	−108	−141	240
2	28	60	−322	−208	498	− 60	41	−182	− 95	176
3	−1,199	− 780	7	−125	− 301	− 650	− 395	4	− 49	−210

£ million, 1975 prices

		Manufacturing[1,2]				Distributive trades		
	All industries	Total	Materials and fuel	Work in progress	Finished goods	Retail	Wholesale	Other industries
1973	2,483	1,170	829	379	− 37	633	432	248
1974	1,428	1,281	470	295	516	−185	361	− 29
1975	−1,534	−1,102	−921	−212	33	−106	−247	− 79
1976	654	363	28	265	71	228	131	− 68
1977	1,327	580	130	214	235	72	412	263
1978	843	335	− 18	244	109	328	− 15	195
1979	1,610	166	−105	− 67	338	421	178	845
Seasonally adjusted								
1977 *1*	518	253	123	116	14	119	103	43
2	485	224	8	30	186	32	236	− 7
3	11	11	2	− 27	36	− 51	− 40	91
4	313	92	− 3	95	− 1	− 28	113	136
1978 *1*	185	73	− 2	13	62	39	34	39
2	308	85	− 34	43	75	141	− 48	130
3	205	69	− 8	36	42	66	21	49
4	145	108	26	152	− 70	82	− 22	− 23
1979 *1*	659	− 115	− 94	− 77	55	87	60	627
2	296	153	97	77	− 22	63	129	− 49
3	324	204	− 5	82	128	95	− 28	53
4	331	− 76	−103	−149	177	176	17	214
1980 *1*	− 288	− 471	−228	−181	− 62	− 80	−116	379
2	− 126	60	− 32	− 30	123	−157	− 80	51
3	− 656	− 266	−189	− 62	− 15	8	−111	−287

[1] Further details are given in the *Monthly Digest of Statistics*.
[2] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

Revisions to index numbers of production

JOHN PERRY, Central Statistical Office

Measurement of industrial production

The index of industrial production (IOIP) is a weighted average of some 300 separate indicators, each of which describes the activity of a small sector of industry[1]. When the first estimate of the index is published, on the 31st working day after the end of the month to which it relates, about half of the index by weight is based on actual data, the remainder being estimated. Even within the half of the index where information is available, response to the inquiries supplying the index numbers may be low so that missing data must be imputed from returns already received. It follows that this first estimate is provisional and subject to revision as more complete information becomes available over subsequent months.

The indicators are obtained monthly where possible but even when all the returns have been received about one-third of the index is based only on quarterly information. Furthermore, where monthly series exist, first estimates are often made from a limited sample of firms and are subsequently 'benchmarked' using a quarterly (or annual) inquiry. This applies to a further one-quarter of the index; the remaining 40 per cent of the index is based only on monthly information.

Normally revisions can be incorporated for all months from 1973 as soon as they are identified.* In practice revisions resulting from later information rarely occur more than 18 months before the current date, though improvements to the indicators used in the index may affect earlier figures.

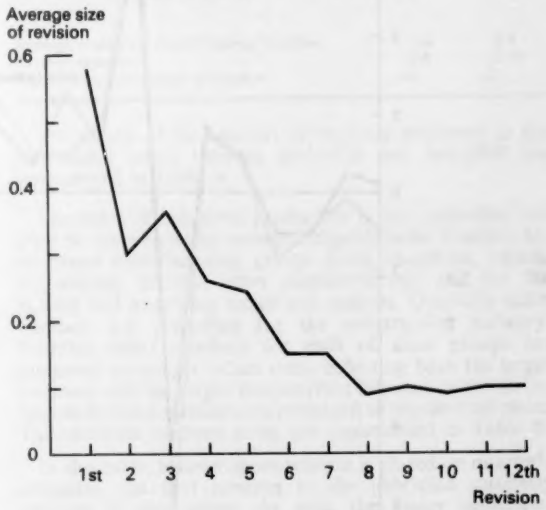
The response to monthly inquiries is sufficiently rapid for estimates of output to be made for the majority of series on the basis of actual returns from companies. Where returns have not been received imputation, on the basis of past performance of the companies and of the returns for the current month, usually leads to reliable estimates. For the few monthly and all quarterly series where no information relating to the current month is available, a representative series is derived by extrapolation from the last month or quarter based on actual returns using the technique of double exponential smoothing. The method is described in detail by R. G. Brown[2]. Briefly, the method seeks to extrapolate a linear trend. To do this it looks at a weighted average of the figures for the most recent months or quarters. The weights chosen depend on the past performance of the specific series which determines a 'smoothing parameter'. Because industrial production is cyclical, that is it tends to move up and down in the long-term (at intervals of about 5 years), it is not sensible to extrapolate a linear trend indefinitely. Thus an additional parameter is introduced to modify the extrapolation of the series. It allows the series to 'decay' so that the estimates tend eventually towards a steady value.

Estimates are generated automatically by a computer program. They are not accepted without cross-reference to other series for the same sector where current performance is known, or to other more general information about the industry provided, for example, by the CBI survey of industrial trends. If the extrapolation is not acceptable the estimates are modified. This screening of estimates is essential when there is a change in trend underlying the performance of the industry.

Changes in the seasonal movements of a series can also lead to revisions. Estimates of production are adjusted for seasonal variation before publication. Although corresponding data which are not seasonally adjusted are available on request, they are less useful in determining short-term movements. Seasonal adjustment factors, one for each month of each year, are determined by the X–11 variant of the US Bureau of the Census method[3]. Though seasonal factors are reasonably robust, changing holiday patterns and switches in reporting practices make regular updating necessary. The factors are revised twice yearly. While the major changes to the seasonally adjusted series resulting from the introduction of modified factors occur in the latest years, minor changes are invariably necessary to the earlier years' data to ensure compatibility.

A large part of the index is calculated from the results of inquiries which are not tailored to its requirements. Inquiries are stopped, sample sizes and the detail collected on the questionnaire are altered and new sources of data become available. When the index numbers were last rebased in 1978, a wide range of new indicators was introduced[4]. Since then further changes have been incorporated, for example to the series for the iron and steel industry. The incorporation of revised index series may result in revisions to all months from the 'link' year of 1973.

FIGURE 1 **Index of production—all industries**



* For two months of the year the implementation of revisions affecting completed calendar years is delayed and they are held over for incorporation in a subsequent publication. This practice applies only to the publications containing the first June and July estimates. The only revisions accepted at that stage are to the data for the current year in order that the annual figures for earlier years are consistent with those shown in the *National Income and Expenditure Blue Book*, published in September of each year.

FIGURE 2

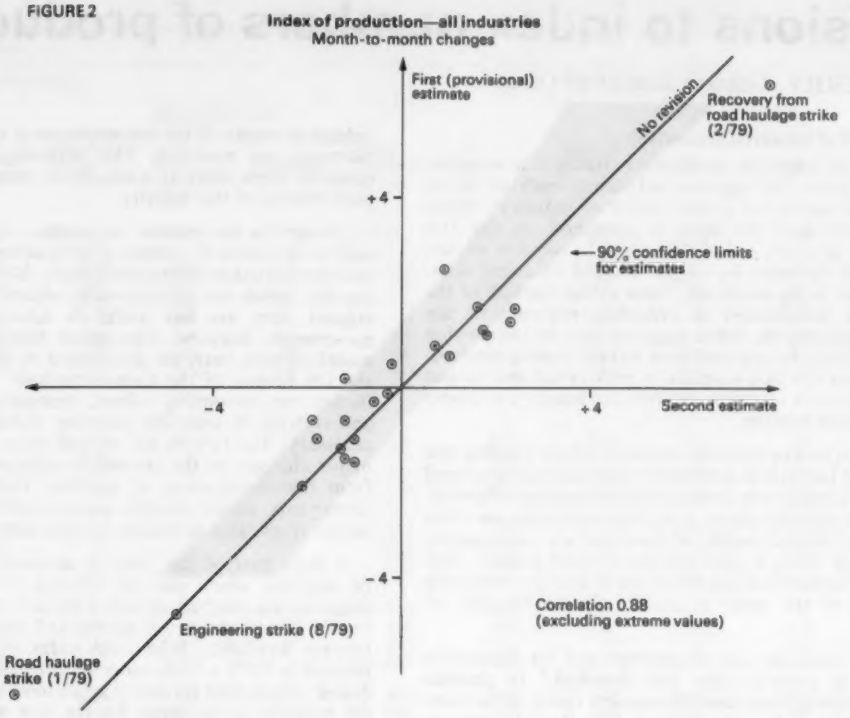
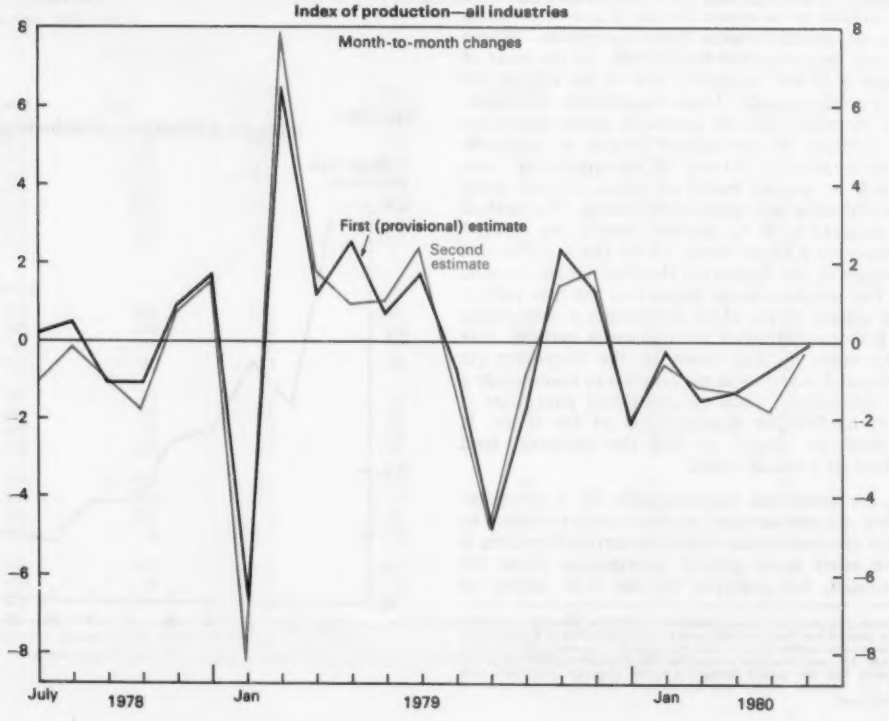


FIGURE 3



Recent revisions performance

If the estimation procedures operate adequately, there will be no bias in the direction of revisions. They should also tend to be small in relation to the movements being measured.

Figure 1 shows the average size of sequential revisions (irrespective of sign) to the monthly 'all-industries' index (the key indicator). These revisions decrease rapidly after the first, and are minor after the fifth revision. The reason for revisions up to the fifth is the gradual introduction of quarterly data either to replace estimates or to 'benchmark' monthly series. These quarterly data are usually calculated from the returns to the quarterly sales inquiries for which provisional estimates are normally available for the majority of industries by the eleventh week after the quarter. Thus the quarterly benchmark data covering, *inter alia*, January become available by mid-June or mid-July when the April or May index is first published and the January index is being estimated for the fourth or fifth time. After one further month all series are based on actual data and only late returns, corrections or reclassifications affect the basic data.

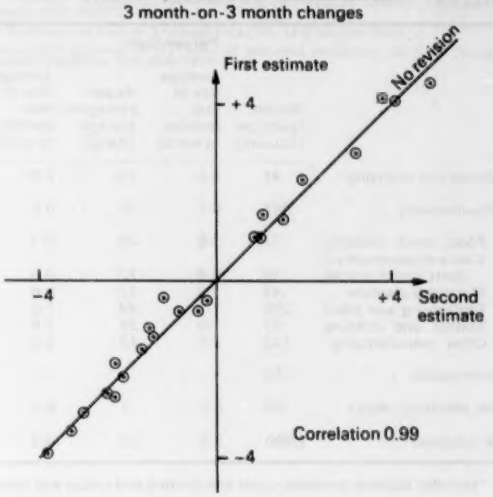
The average first revision of 0·6 compares with the average month-to-month change of 1·8. There is no bias in the first revision; nine provisional estimates have been revised upwards while 12 have received downward revisions (two have not been revised). The largest revision recorded was a 1½ per cent (1·8 points) downward revision to the first estimate for April 1979. Revisions after the first are relatively small and do not necessarily follow the direction of the first revision, that is a negative first revision does not imply negative or positive revision subsequently. The cumulative revisions to date for those months for which the index numbers are relatively final average about 0·7, little larger than the average first revision. The following analyses concentrate on the first revision.

The IOIP does not measure absolute levels of output, merely the change in output from month-to-month. Figures 2 and 3 show the relationship between the first and second estimate of the latest month-to-month movement. They demonstrate that although the size of the movement cannot be determined exactly at the first estimate stage a good approximation of the movement can be obtained. It should be noted that the irregular movements in the index series caused by strikes or non-seasonal weather, for example, tend to obscure the more regular (or cyclical) movements of the index series. From analysis of past data it has been shown that the longer-term movements tend to dominate the irregular movements after three months. The movements of the index between the latest three months and the immediately preceding three months is therefore considered to be the most appropriate time span for determining changes in the index numbers. Revisions to this statistic are shown in Figure 4. The average first revision to this figure has been about one-quarter of one per cent since rebasing compared with an average quarter-to-quarter change of 2 per cent. Again there is no evidence of bias in the revisions.

Similar analyses of the revisions to the index of manufacturing industries which comprises 70 per cent of the index of industrial production, produces comparable results. The magnitude of the revisions to manufacturing industries tend to be larger than to 'all-industries'. This is because revisions outside manufacturing are in the main limited to the construction industry estimates which currently comprise about half of the residual output.

FIGURE 4

Index of production—all industries
3 month-on-3 month changes



Revisions to the index of industrial production July 1978 to June 1980

TABLE A

	All industries	Manufacturing industries
Average level of production (1975 =100) ..	111·1	102·8
Average revision to latest month	0·6	0·75
Revision as percentage of index level	*0·5*	*0·7*
Average percentage change 3 month on 3 month	2·1	2·65
Average revision	0·25	0·3
Revision as percentage of change	*12*	*11*
Average month on month change in index ..	1·8	2·4
Average revision	0·6	0·65
Revisions as percentage of change	*34*	*27*

The results of the analysis of revisions necessary to the provisional index between mid-1978 and mid-1980 are summarised in Table A.

The index of industrial production is first published in a press notice which also presents monthly index numbers for six broad manufacturing groups (food, chemicals, metals, engineering, textiles, other manufacturing) and for the mining and quarrying sector and utilities. Quarterly index numbers are presented for the construction industry. Monthly index numbers for each of these groups are presented as integer values only, reflecting both the larger revisions and the larger irregularities inherent in the series. Quarterly index numbers are presented to one decimal place. The revisions to these series are summarised in Table B.

In this table, because more reliance is placed on quarterly estimates, the first revision to the published quarterly estimate is also given. As with the major aggregates revisions die down very quickly. The sector with the largest

Revisions to press notice categories of IOIP July 1978 – June 1980

TABLE B

	Weight (parts per thousand)	Percentage		
		Average size of first revision to month	*As percentage of average change*	Average size of first revision to quarter
Mining and quarrying ..	41	0·4	*15*	0·2
Manufacturing	697	0·7	*31*	0·5
Food, drink, tobacco	77	0·6	*42*	0·3
Coal and petroleum products and chemicals	66	0·8	*27*	0·5
Metal manufacture ..	47	2·3	*22*	0·6
Engineering and allied	298	1·7	*44*	1·0
Textiles and clothing	67	1·0	*35*	0·6
Other manufacturing[1]	142	0·5	*19*	0·3
Construction	182	..	..	1·3
Gas, electricity, water ..	80	0·2	*7*	0·4
All industries	1,000	0·5	*32*	0·3

[1] Includes building materials, paper and printing and rubber and plastics'

.. not available, construction series are calculated and published only quarterly.

average first revision to the monthly series is metal manufacture within which the revision is caused by iron and steel and iron castings. Next in size is the engineering sector whose figures are discussed below. All other revisions average at 1 per cent or less. Amongst quarterly series, construction is seen to experience the largest revisions (1·3 per cent), as is to be expected when provisional estimates are based mainly on extrapolation of past behaviour. The next largest revisions are to be found in the engineering sector. All other sectors are revised at this stage by about ½ per cent or less. When the press notice is published for the first time for a complete quarter the first estimate of construction output is published only to the nearest integer and is clearly marked as provisional.

None of the monthly series exhibited any significant bias in the sample period. Two of the series (chemicals and other manufacturing) had positive revisions on average, while mining and quarrying, metals and textiles had negative revisions. Relatively long runs of positive revisions were noted for other manufacturing in the first eight months and for textiles in the latest nine months but there were no significantly long runs in any of the series. The last point tested was the possibility of a serial correlation between subsequent revisions, that is a tendency for the size and sign of successive revisions to follow a systematic pattern. This check confirmed the abnormal behaviour of 'other manufacturing' but all other series behaved as expected. Obviously, as more data become available stronger patterns may emerge but on the evidence of two years' revisions, there seem to be no consistent errors that could have been anticipated.

When looking at revisions as a percentage of change it must be borne in mind that the largest changes in output are often the result of strikes. In the reference period, three major disturbances affected output:

(*i*) the road haulage strike in January 1979 coupled with abnormally bad weather in the whole of the first quarter of the year;

(*ii*) the strike in the engineering industries from August 1979 into the early part of October; and

(*iii*) the steel industry dispute during the first quarter of 1980.

While increasing the volatility of the series, strikes have not necessarily increased the size of revisions to the index numbers proportionately. During the two major disputes ((*i*) and (*iii*)) additional early information was made available for much of manufacturing which facilitated good provisional estimates. In the case of engineering, the removal of the relevant strike-affected months increases the revision as a percentage of the month-to-month change to about 70 per cent. For all other sectors the understatement is less serious.

One area which poses particularly acute problems of estimation and revision lies within the engineering and allied industries. The indicators for mechanical, instrument and electrical engineering, which together comprise some 60 per cent of the index for the sector, are based on data from the monthly engineering sales inquiries conducted by the Business Statistics Office. Though these inquiries are statutory, they suffer from particularly slow response rates. Furthermore, these industries have many large projects which can result in particularly variable monthly sales figures so that estimation for missing returns is particularly difficult. As the index numbers are required to measure production rather than sales, and as production is more continuous than sales, the monthly series for sales are smoothed using a moving average (13-month Henderson weighted). Once this is done, the quarterly totals obtained are constrained to the quarterly sales total to prevent any drift between the series. This means that where a quarter is not yet complete, the smoothing process may introduce an error into the estimates for the individual months within the quarter which will be corrected only when data for the whole quarter are available.

Table B illustrates the revisions to the engineering and allied industries, which include vehicles and metal goods industries. When these are excluded, the average first revision to the month is 2·6 per cent, while the average first revision to the quarter is 1·8 per cent. (These compare with 1·7 per cent and 1·0 per cent when the 'allied' industries are included). These revisions, while small, compare unfavourably with those for other sectors. The largest single revision to the engineering series occurred at the second estimate of the index for June 1979 which showed an upward revision of 8·8 points, with the second quarter as a whole being revised by 6·0 points. It is for this reason that the most recent month's figures for the three engineering sectors (mechanical, instrument and electrical) are not published. Once the first revision to the quarter has been made later revisions are generally small.

Revisions performance since August 1980

The analyses in the article cover index numbers for the two years to June 1980 (published in August 1980). Since then the index numbers for July to November have been published. The revisions to the provisional estimates for June and July were both downwards by 1·1 points. The size and direction of the revision reflects the inability of some indicators to react sufficiently rapidly to the large falls in output experienced between the first and second quarters. Revisions in the most recent months conform more closely to the pattern described in this article.

Conclusions

Whilst the provisional estimates of the index of industrial production are subject to revision there is no evidence of bias in early estimates, and the average size of revision is such that initial estimates of the trend in industrial output based on comparisons of the latest three months and the previous three months are unlikely to be affected by revisions to component series. While revisions to the provisional estimates for the latest month are larger, they do not produce serious changes in our estimates of total output, having averaged about ½ per cent over the past two years.

References

[1] For a description, see *The measurement of changes in production:* Studies in Official Statistics No. 25, HMSO 1976.

[2] R G Brown: 'Smoothing, Forecasting and Prediction of Discrete Time Series' (Prentice-Hall 1963).

[3] US Bureau of the Census: Technical Paper No. 15 (February 1967).

[4] The rebased estimates of the index of industrial production: D C K Stirling *Economic Trends* No. 307, May 1979.

The effects of taxes and benefits on household income, 1979

Introduction

During 1979 the Government raised and spent £85 billion. This article describes how the distribution of income between households was altered by the raising of the taxes, and by cash and other selected benefits. It looks in particular at the impacts on households at different income levels, and on households of different compositions. The principal findings are:

(i) These taxes and benefits increased the share of total income going to the bottom 20 per cent of households on the income scale from ½ per cent to 7 per cent.

(ii) They redistributed income from non-retired adult households to retired households (and, to a lesser extent, from small families to large ones). For example, they raised the average income of retired households from 14 per cent of the average for all households to 49 per cent.

(iii) *Within* each household type, cash benefits, income tax and expenditure on the main social services all reduced the inequality of the distribution of income. Indirect taxes (rates and taxes such as VAT) together had the opposite effect.

(iv) If incomes are scaled down by the number of 'equivalent adults' in each household, the redistributive effects of taxes and benefits appear more marked; on this basis they increased the share of income going to the bottom 20 per cent of households on the income scale from 0·8 per cent to 11 per cent.

The analysis starts with the households' *original incomes*, that is the pre-tax earnings and unearned incomes of their members, but excluding all state pensions and benefits, such as child benefit and unemployment benefit. Adding on these state pensions and benefits gives their *gross incomes*, and then deducting direct taxes gives their *disposable incomes* (roughly, the incomes available to spend). Indirect taxes are then subtracted, and the households' benefits from the other allocated items of government expenditure are added. This gives their *final incomes*.

The main data source for the analysis is the Family Expenditure Survey (FES) for 1979, in which data were collected on the characteristics of 6,777 households in the United Kingdom, including details of their income and expenditure. (No attempt has been made to correct for response bias, or to reconcile some differences between figures from the FES and other surveys.) The allocations between households of some taxes and benefits (for example, income tax and child benefit) are straightforward. The allocations of other items, such as industrial rates and the housing subsidy, require assumptions as to who effectively pays the tax or receives the benefit; the assumptions used in this article are spelt out at Appendix 1. Other items of government revenue and expenditure have not been allocated between households because there is no clear conceptual or empirical basis for making the necessary assumptions. Table A shows that 59 per cent of revenue and 45 per cent of expenditure has been allocated. The detailed results on which the rest of this article is based are set out in Appendix 3.

1. RESULTS FOR ALL HOUSEHOLDS

In Table B households are ranked according to the sizes of their original incomes and then divided into successive tenths (or 'decile groups'). The first row shows how unequally original income was distributed between these groups of households in 1979. Subsequent rows show that taxes and benefits substantially reduced this inequality. The two bottom decile groups (that is, the bottom fifth) averaged £140 original income, for example. They accounted for just ½ per cent of all original income (Table C). When households are re-ranked by final income, however, the bottom fifth accounted for 7 per cent of all final income and the share of income going to the top fifth was reduced. The Gini coefficient – a measure of the inequality of the distribution of income – showed a correspondingly marked reduction between original and final income (details of the Gini coefficient appear at Appendix 1, paragraph 40).

The following paragraphs explain how taxes and benefits reduced inequality. In part, the results stemmed from the types of household in each slice of the ranking by original income (Table D). In particular, retired households dominated the bottom fifth of the ranking and larger households (especially those with three or more adults) dominated the top fifth.

Allocated and unallocated items of government revenue and expenditure, 1979

TABLE A

	Percentage of total revenue	
Revenue	Allocated	Other
Income tax	24	—
National insurance contributions	9	5
Local rates	5	2
Other taxes on expenditure	21	7
Other receipts (net)	—	12
Borrowing requirement	—	14
Total	59	41

	Percentage of total expenditure	
Expenditure	Allocated	Other
Final goods and services	19	25
Grants to persons in UK	24	1
Subsidies	3	2
Capital expenditure	—	12
Debt interest	—	10
Other	—	4
Total	45	55

Summary of the effects of taxes and benefits, 1979

TABLE B

	Decile groups of households ranked by original income										Average over all households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Original income	10	270	1,390	3,160	4,380	5,430	6,460	7,670	9,360	14,040	5,220
plus cash benefits	1,720	1,630	1,430	820	530	500	430	370	380	380	820
Gross income	1,730	1,900	2,830	3,980	4,910	5,930	6,880	8,040	9,740	14,420	6,040
less direct taxes	—	20	170	550	850	1,080	1,330	1,570	1,990	3,250	1,080
Disposable income	1,730	1,890	2,660	3,430	4,050	4,850	5,560	6,470	7,750	11,170	4,960
less indirect taxes	380	440	670	880	1,060	1,200	1,340	1,550	1,770	2,320	1,160
plus benefits in kind	780	680	740	870	960	980	980	960	970	1,010	890
Final income	2,120	2,130	2,730	3,420	3,950	4,630	5,190	5,880	6,960	9,860	4,690
Direct taxes as a percentage of gross income	—	*1*	*6*	*14*	*17*	*18*	*19*	*20*	*20*	*23*	*18*
Indirect taxes as a percentage of disposable income[1]	*18–22*	*22–23*	*25*	*26*	*26*	*25*	*24*	*24*	*23*	*21*	*23*
Benefits in kind as a percentage of final income	*37*	*32*	*27*	*25*	*24*	*21*	*19*	*16*	*14*	*10*	*19*
Local authority tenants as a percentage of householders	*60*	*42*	*35*	*38*	*38*	*29*	*27*	*24*	*19*	*18*	*33*
Average per household (number)											
Children	0·3	0·1	0·3	0·7	1·0	1·1	1·0	0·9	0·8	0·8	0·7
Adults	1·3	1·5	1·6	1·8	1·9	2·0	2·1	2·3	2·5	3·0	2·0
Retired people	1·0	1·2	0·8	0·3	0·2	0·1	0·1	0·1	0·1	0·1	0·4
Workers	0·1	0·1	0·6	1·1	1·4	1·6	1·7	2·0	2·1	2·6	1·3

[1] The ranges reflect different possible treatments of rates – see pages 105–106.

Cash benefits

Cash benefits were largest, on average, for low income households. The bulk of cash benefits were designed to support people who were not earning. Households in the bottom three decile groups included many who were retired, or who were sick or unemployed at some time during 1979. These households received an average of £1,600 in cash benefits, whereas households in the three top decile groups received an average of £380 (Table B).

Cash benefits, then, clearly reduced the inequality of the distribution of income; in fact the largest change in the share of total income held by each group, and the largest drop in the Gini coefficient, took place between original and gross income (Table C).

Percentage shares of total household income, 1979

TABLE C

	Percentage in each quantile group of households, re-ranked at each stage			
	Original income	Gross income	Disposable income	Final income
Quintile group				
Bottom fifth	0·5	5·5	6·5	7·1
Next fifth	9	11	12	12
Middle fifth	19	18	18	18
Next fifth	27	25	24	24
Top fifth	45	40	39	38
Total	100	100	100	100
Decile groups				
Bottom tenth	—	2·2	2·6	2·8
Top tenth	27	24	23	22
Gini coefficient (per cent)	45·2	34·9	32·3	31·5

Direct taxes

Direct taxes are assessed mainly on original income, and so households with the highest original incomes paid, on average, the highest taxes. Moreover, because of the fixed personal tax allowances, higher income households paid higher *proportions* of their gross incomes as direct tax (Table B). This meant that direct taxes further increased the share of total income going to the bottom fifth of households (Table C), although the increase was not as great as that due to cash benefits.

The composition of each quintile group of households ranked by original income, 1979

TABLE D

	Quintile groups					
	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	Total
Percentages						
Household type						
1–2 adults retired	81	28	3	1	1	23
1 adult (other)	5	20	13	5	2	9
2 adults (other)	3	20	23	34	25	21
2 adults with children	4	18	48	39	25	27
3 or more adults	2	8	11	20	47	17
1 adult with children	5	6	2	1	—	3
Total	100	100	100	100	100	100

Indirect taxes

The effects of indirect taxes were less clear. These include domestic rates net of rebates (and, for the purpose of this article, water and sewerage charges, which are also based on rateable values in most cases), taxes such as VAT and excise duty on tobacco, and some other duties. They also include items such as employers' national insurance, etc. contributions and industrial rates, which are paid by industry and are assumed to be passed on to households in the form of higher prices. The proportion of disposable income paid as indirect tax declined slightly in the top decile groups (Table B) because these households allocated more of their income to savings, rent, mortgage interest and insurance premiums, which attracted little indirect tax.

There is a conceptual problem in defining the impact of domestic rates on a household whose head received supplementary benefit (SB). Rates would be paid in full by the

householder, and be included in the figures throughout the article, but would have been taken into account in assessing his benefit. It could be argued that his effective rates burden has been overstated to some extent. In several tables ranges have therefore been given for percentages representing rates (and indirect taxes), the lower figures excluding the rates for each SB household, up to the level of benefit received. In Table B, however, this does not alter the conclusion that indirect taxes were heaviest in percentage terms for households in the middle of the distribution.

Benefits in kind

Apart from cash benefits, the other main categories of government expenditure which have been allocated to households are those shown in Table E; these are collectively called benefits in kind. The average benefit from *education* and *welfare foods* (mainly school meals and milk) was much higher for households in the top three quintile groups than for those in the bottom two groups. Education benefit has been allocated to people receiving education, and households at the bottom of the distribution have a smaller average number of children than those in the middle, or at the top (Table B). Generally, old people tend to use the *health* service very much more than young people. The concentration of retired people in households in the lowest part of the income distribution (Table B) thus accounted for the high average level of health benefit allocated to the bottom quintile group. (Estimates of the relative cost of providing health care to the old have been increased since last year's article, and this affects comparisons over time – see Appendix 2, paragraph 6).

Average amounts received as benefits in kind, 1979: households ranked by original income

TABLE E

	Quintile groups					Average over all households
	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	
£ per household						
Education	110	260	400	450	440	330
Welfare foods	20	20	30	30	30	20
Health	460	380	390	350	370	390
Housing subsidy[1]	150	120	110	90	80	110
Other	—	20	30	50	80	40
Total	730	800	970	960	990	890

[1] See below.

The current *housing* subsidy has been allocated between local authority dwellings; for each authority, the 'economic rent' of a dwelling has been deemed to be proportional to its rateable value, and the unrebated rent subtracted from it (see Appendix 1, paragraph 33). This is not the only convention that can be conceived; others could take account of, for example, the notional current loan charges for that dwelling, having regard to when it was built. The average subsidy for a particular group of households (which might include both local authority and private dwellings) would then depend on how the ages (for example) of the local authority dwellings in that group compared with the ages of those in other groups. But an important unequivocal factor in determining the average subsidy is the proportion of households within the group that are local authority tenants. More low income than high income households are local authority tenants, for example (Table B). Under the convention used for this article low income households had the highest average benefits from the housing subsidy when the average is taken over all households, irrespective of tenure.

Finally, the items comprising the *other* category (passenger rail travel subsidy, expenditure on option mortgages, and life assurance premium relief) all benefited households with adults of working age, and in the middle and upper parts of the income scale.

On average, households with high incomes had higher benefits in kind than households with low incomes. But these benefits represented the highest *proportions* of final income for households with the lowest incomes (Table B), and this means that their effect was to further reduce the inequality of the distribution of income.

The net effect of indirect taxes and benefits in kind was to make final income a shade more equally distributed than disposable income (Table C).

The interpretation of these results should take account of three qualifications. First, more taxes than benefits have been allocated to households (Table A), so the average final income (£4,690) is lower than the average original income (£5,220). Greater significance should therefore be attached to the broad pattern of redistribution than to precise figures of gains and losses – particularly in the middle of the distribution. Second, some of the methods of allocation use assumptions which are not the only ones possible (for example, in respect of the housing subsidy). Third, the allocations mainly reflect only the initial impacts of taxes and benefits. It is not possible in this article to measure the extent to which second order effects transfer the impacts to other households.

2. HORIZONTAL REDISTRIBUTION

This section of the article looks at the impacts of taxes and benefits on different types of household, including households with children, and retired households (those in which at least half the gross income was to retired people aged over 59). The exact definitions of the household types shown in Table F are given in Appendix 1, paragraphs 6 to 11.

The first row of Table G shows that the average original incomes of the ten types ranged from £480 for single retired people to £9,260 for households comprising three or more adults. Subsequent rows show how this variation was affected by each stage of redistribution – the range of average final incomes was from £1,830 to £7,980. The most striking change was for retired households, whose average original income was 14 per cent of the overall average but whose average final income was 49 per cent of the overall average (Table H). Taxes and benefits also increased the average incomes of households with one adult and children; of other households with children (relative to those without children); and of households comprising three or more adults (relative to those comprising two adults).

Much the largest item of *original income* in 1979 was earnings, including income from self-employment (Table I). Investment income accounted for only 3 per cent, and another 3 per cent came from occupational pensions and annuities.

Among non-retired households, the *main earners'* earnings were, on average, substantially higher in households with two or more adults than in single adult households; and substantially higher, on average, in households with children than in those without.

The ten household types, 1979

TABLE F

	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children	All households
	Retired	Not retired	Retired	Not retired	1 child	2 children	3 or more children	With no children	With children		
Sample numbers	873	621	668	1,421	604	853	364	640	549	184	6,777
Average per household											
Children	—	—	—	—	1·0	2·0	3·4	—	1·6	1·7	0·7
Adults	1·0	1·0	2·0	2·0	2·0	2·0	2·0	3·4	3·4	1·0	2·0
Full-time workers	—	0·7	—	1·3	1·0	1·1	1·0	2·0	2·1	0·3	1·0
Part-time workers	—	0·2	—	0·4	0·5	0·5	0·5	0·5	0·7	0·3	0·4
Retired people	1·0	—	1·8	0·2	—	—	—	0·4	0·1	—	0·4
Average age of head	74	47	72	49	36	35	36	55	47	35	51
Percentage that are local authority tenants	*43*	*29*	*37*	*25*	*25*	*26*	*44*	*37*	*39*	*54*	*33*

Redistribution of income between household types, 1979

TABLE G

	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children	Average over all households
	Retired	Non-retired	Retired	Non-retired	1 child	2 children	3 or more children	With no children	With children		
Average per household (£ per year)											
Original income	480	3,590	1,060	6,500	5,870	6,790	5,980	9,260	8,920	2,270	5,220
plus cash benefits	1,290	360	1,930	440	470	530	970	810	860	1,170	820
Gross income	1,770	3,950	2,990	6,940	6,340	7,320	6,960	10,070	9,780	3,440	6,040
less direct taxes	100	840	210	1,380	1,150	1,370	1,190	2,020	1,790	230	1,080
Disposable income	1,670	3,110	2,780	5,560	5,190	5,950	5,770	8,050	7,990	3,220	4,960
less indirect taxes	340	800	620	1,320	1,250	1,360	1,300	1,910	1,890	710	1,160
plus benefits in kind	510	300	720	420	860	1,270	2,190	1,010	1,880	1,370	890
Final income	1,830	2,610	2,870	4,660	4,810	5,860	6,670	7,150	7,980	3,880	4,690
Taxes as percentages of gross income											
Direct taxes	*6*	*21*	*7*	*20*	*18*	*19*	*17*	*20*	*18*	*7*	*18*
Indirect taxes[1]	*17-19*	*20*	*20–21*	*19*	*20*	*19*	*19*	*19*	*19*	*19-20*	*19*
Total[1]	*23-25*	*41*	*27–28*	*39*	*38*	*37*	*36*	*39*	*38*	*26-27*	*37*
Benefits in kind as a percentage of final income	*28*	*11*	*25*	*9*	*18*	*22*	*33*	*14*	*24*	*35*	*19*

[1] The ranges reflect the different possible treatments of rates – see pages 105–106.

However, the variation in average earnings from *other people* was greater. Households with three or more adults had particularly high average figures (they averaged 2½ workers each – Table F), and two adult households with children had relatively low figures (they averaged 1¼ workers each – and most of the second workers worked part-time).

The high average figure of 'other' income recorded for households with one adult and children largely comprised allowances from absent husbands.

Generally, then, by far the highest average original income was for households with three or more adults, a substantial proportion being earned by the main earners' spouses and children.

Retired households had the lowest average original incomes, and 60 per cent of the total came from occupational pensions and annuities. Original income was, on average, lower for single retired people than for retired couples because 80 per cent of them were women, who were less likely than men to have incomes from pensions and annuities.

Cash benefits

The reasons for the variation in the average values of cash benefits shown in Table G can be illustrated by sub-dividing the benefits into four categories, as in Table J (the details appear in Appendix 1). More than half of cash benefits were age-related (retirement and old persons' pensions and widows' pensions), and this explains why retired households had much the largest average figure. Retired households also recorded high income-related benefits (including supplementary pensions). So the average *gross* income of

Selected ratios of average incomes, at each stage, for particular household types, 1979

TABLE H

	Original income	Gross income	Disposable income	Final income
Non-retired households				
With no children				
3 adults: 2 adults	1·42: 1	1·45: 1	1·45: 1	1·53: 1
2 adults: 1 adult	1·81: 1	1·76: 1	1·79: 1	1·78: 1
With children: with no children				
3 adult households	0·96: 1	0·97: 1	0·99: 1	1·12: 1
2 adult households	0·97: 1	1·00: 1	1·02: 1	1·22: 1
Retired households: all households	0·14: 1	0·38: 1	0·43: 1	0·49: 1
1 adult with children: all households	0·43: 1	0·57: 1	0·65: 1	0·83:1

Average original income from various sources, for each household type, 1979

TABLE I

£ per household	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children	All households
	Retired	Not retired	Retired	Not retired	1 child	2 children	3 or more children	With no children	With children		
Earnings											
Main earner	—	3,280	50	4,490	4,950	5,790	5,210	4,860	5,280	1,300	3,620
Other earners	—	—	—	1,640	740	830	640	3,850	3,390	—	1,190
Investments	200	170	300	210	100	100	50	280	90	20	170
Occupational pensions and annuities	260	50	700	130	20	10	—	190	70	20	160
Other	20	90	10	40	70	60	80	70	90	930	80
Total	480	3,590	1,060	6,500	5,870	6,790	5,980	9,260	8,920	2,270	5,220

Average values of cash benefits for each household type, 1979

TABLE J

£ per year	Age-related	Child-related	Income-related	Other	Total
Household type:					
1–2 adults retired	1,280	—	190	90	1,560
1 adult non-retired	210	—	90	60	360
2 adults non-retired	250	—	70	110	430
2 adults with children	20	400	110	70	600
3 or more adults	310	180	190	150	830
1 adult with children	100	360	670	40	1,170
All households	420	150	150	100	820

retired households was 38 per cent of the average for all households, compared with 14 per cent for original income (Table H). Among non-retired households, cash benefits improved the relative average income of households with one adult and children. The relative average incomes of single adult households and other households with children were also increased, but the movements were fairly small.

Direct taxes

Direct taxes accounted for 6 per cent of the gross income of retired households but between 17 per cent and 21 per cent for most other types (Table G). So the average *disposable* income of retired households rose to 43 per cent of the average for all households. The only other substantial effect of direct taxes was to further improve the relative average income of households with one adult and children.

Indirect taxes

To assess the combined effects of direct and indirect taxes, indirect taxes are expressed as a percentage of gross income in this and the next section, rather than of disposable income.

Indirect taxes averaged close to 20 per cent of gross income for each household type (Table G), and so had little effect on the distribution of income.

Taking direct and indirect taxes together, they were on average, lightest in percentage terms for retired households and for one adult households with children, and heaviest for one adult non-retired households.

Benefits in kind

The effects of benefits in kind on the distribution of income between household types hold no surprises (Table K). High average benefits from *education* and *welfare foods* were allocated to households with children, although some households without children had benefit allocated to members still in full-time education. The average *health* benefit allocated to non-retired households was roughly in line with household size, although the high average cost for the elderly resulted in high figures for retired households. If 'economic rents' are assumed to be based on rateable values (see page 106), the largest average benefits from the *housing* subsidy were for single retired adults, single adults with children and large families, these being the household types with the highest proportions living in local authority accommodation (Table F).

Average values of benefits in kind for each household type, 1979

TABLE K

£ per household	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children	All households
	Retired	Not retired	Retired	Not retired	1 child	2 children	3 or more children	With no children	With children		
Education	—	60	—	30	260	640	1,270	390	1,120	770	330
Welfare foods	—	—	—	—	20	60	140	—	70	110	20
Health	380	120	500	260	450	440	580	430	490	270	390
Housing subsidy[1]	120	100	110	90	80	90	170	130	140	190	110
Other	—	20	10	40	50	50	40	60	60	30	40
Total	510	300	720	420	860	1,280	2,190	1,010	1,880	1,370	890

[1] See page 106.

The composition of each quintile group of all households ranked by final income, 1979

TABLE L

Percentages	Quintile groups: Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	Total
Household type						
1–2 adults retired ..	68	36	7	2	1	23
1 adult (other) ..	21	16	6	2	1	9
2 adults (other) ..	6	26	33	27	13	21
2 adults with children	3	15	40	44	33	27
3 or more adults ..	—	2	10	23	51	17
1 adult with children	2	5	4	2	1	3
Total	100	100	100	100	100	100

Taking benefits in kind as a percentage of final income, the largest average figures were for single adult households with children, retired households, and large families; the smallest were for households comprising non-retired adults (Table G).

Indirect taxes and benefits in kind together improved the relative average income of households with children (Table H). Retired households also further improved their relative incomes.

When all households are ranked by final income (Table L), retired households were concentrated at the bottom of the distribution to almost as great an extent as in the ranking by original income (Table D) – despite the rise in their average income. One and two adult non-retired households dropped down the income scale, while two adult households with children rose to higher quintile groups.

3. VERTICAL REDISTRIBUTION

This section analyses the effects of taxes and benefits on the distribution of income *within* each household type. The Gini coefficients in Table M show that retired households, in particular, had very unequal distributions of original income (large proportions having no original income at all, and the top fifths accounting for three quarters of total income). But they had some of the least unequal distributions of final income. Of non-retired household types,

Percentage shares of income at each stage within each household type, 1979

TABLE M

	Percentages in each quintile group of households, re-ranked at each stage									
	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children
	Retired	Non-retired	Retired	Non-retired	1 child	2 children	3 or more children	With no children	With children	
Original income										
Bottom fifth	—	2	—	7	8	9	6	6	9	—
Next fifth	—	12	3	14	15	15	15	14	15	3
Middle fifth	4	19	8	20	19	18	19	20	19	15
Next fifth	16	26	18	24	23	23	22	25	23	28
Top fifth	80	41	71	35	35	35	38	35	34	54
Total	100	100	100	100	100	100	100	100	100	100
Gross income										
Bottom fifth	13	7	13	10	11	11	11	10	11	10
Next fifth	16	13	15	15	15	15	15	15	16	13
Middle fifth	17	18	16	19	19	18	18	19	19	17
Next fifth	20	24	20	23	22	22	21	23	22	22
Top fifth	34	38	36	33	33	34	35	33	32	38
Total	100	100	100	100	100	100	100	100	100	100
Disposable income										
Bottom fifth	14	9	13	11	12	12	12	10	12	10
Next fifth	16	14	16	15	15	15	15	16	16	14
Middle fifth	18	18	18	19	19	18	18	19	19	17
Next fifth	20	23	21	23	22	22	22	23	22	22
Top fifth	32	36	32	32	32	33	33	32	31	37
Total	100	100	100	100	100	100	100	100	100	100
Final income										
Bottom fifth	12	8	13	10	11	12	13	10	13	10
Next fifth	17	15	16	15	16	16	16	15	16	14
Middle fifth	19	18	19	19	19	18	19	19	19	18
Next fifth	22	23	21	23	22	22	22	23	22	23
Top fifth	30	36	31	33	32	32	30	33	30	35
Total	100	100	100	100	100	100	100	100	100	100
Gini coefficients (per cent)										
Original income	78	39	69	29	26	26	31	28	25	57
Gross income	21	31	23	24	22	23	24	23	21	29
Disposable income	18	28	19	22	21	22	21	22	19	27
Final income	18	28	18	22	21	20	17	22	17	25

Characteristics of each fifth of households in the ranking by original income, 1979
2 adult non-retired households

TABLE N

	Number of households									
	2 adults, no children					2 adults with 1 or more children				
	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth
Number of workers										
0	23	3	—	2	—	19	1	—	1	1
1	204	137	61	30	35	228	177	138	112	100
2	57	144	224	252	249	118	186	225	251	264
Total households	284	284	285	284	284	365	364	363	364	365
Percentage of earnings from main earner	*95*	*86*	*74*	*67*	*69*	*95*	*92*	*89*	*86*	*85*

single adult households and those comprising one adult and children had the most unequal distributions of original income (many of these households contained no full-time workers – Table F). These inequalities were again reduced substantially, although the distributions of final income were still more unequal than those of other household types. Taxes and benefits also reduced the inequalities within all the other household types, and particularly for large families.

The position of a non-retired household in the ranking by original income depended largely on the number of workers. Of two adult non-retired households with no children, for example, only 20 per cent of the bottom fifth of householders had two earners (Table N), but this rose to 90 per cent for the top two fifths, where second earners contributed nearly a third of total household earnings. The same basic pattern was true for two adult households with children, although the differences between the quintile groups were not so large.

Investment income also played a part in determining a household's position in the ranking; for nearly every type of non-retired household the top quintile group accounted for more than half the total investment income.

Cash benefits

Cash benefits played the greatest part in reducing income inequality for both of the retired household types. For each type, this was because cash benefits formed a large proportion of total gross income, and because they were evenly distributed between the households. Cash benefits also played the greatest part in reducing income inequality for non-retired household types. They increased the percentages of income going to the bottom fifths of households by between 2 and 5 per cent, and by 10 per cent for one adult households with children (Table M).

Direct taxes

Amongst retired households direct taxes represented a low percentage of gross income for all but the top fifth of households. Among non-retired household types the impact of direct taxes was particularly small for the lowest quintile groups – especially for single adults – and particularly large for the top quintile groups (Table P). For each household type there was therefore a further measurable reduction in inequality between gross and disposable income (Table M).

Percentages of gross income recorded as expended on various items for the top and bottom quintile groups within each household type, 1979

TABLE P

	Percentages						
	Direct taxes	Domestic rates/ water charges	Alcohol and tobacco	Food and domestic fuel	Other non-housing goods	Net balance	Total
Quintile groups ranked by gross income within household type							
Bottom fifth of:							
1–2 adults retired	1	5–6	5	52	37	−1	100
1 adult (other)	3	6–7	9	43	47	−9	100
2 adults (other)	11	4	9	36	40	0	100
2 adults with children	11	4	9	39	46	−9	100
3 or more adults	11	3	8	35	43	0	100
1 adult with children	—	1–8	9	51	33	−1	100
Top fifth of:							
1–2 adults retired	16	5	4	24	32	19	100
1 adult (other)	25	2	6	13	36	18	100
2 adults (other)	23	2	5	14	38	18	100
2 adults with children	21	2	4	17	39	17	100
3 or more adults	22	2	7	17	41	11	100
1 adult with children	10	3	2	21	41	23	100

[1] The ranges reflect the different possible treatments of rates – see pages 105–106.

Direct and indirect taxes as percentages of gross income; by quintile groups within each household type, 1979

TABLE Q

Percentages

	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children
	Retired	Not retired	Retired	Not retired	1 child	2 children	3 or more children	With no children	With children	
(a) Indirect taxes[1]										
Bottom fifth ..	21–22	28–30	23–25	24	27	25	24–25	23	23	23–29
Next fifth	17–20	21	20–21	21	22	21	20	21	20	19–23
Middle fifth ..	16–20	20	22–23	20	21	19	21	19	20	20–22
Next fifth	17–20	21	22	19	19	19	19	19	18	19
Top fifth	17	18	17	16	16	15	15	17	18	18
(b) Direct plus indirect taxes[1]										
Bottom fifth ..	22–23	31–32	25–26	35	37	38	31–32	34	34	23–29
Next fifth ..	17–21	37	21–22	38	39	38	35	39	37	20–24
Middle fifth ..	16–21	42	23–24	39	38	38	38	39	38	26–27
Next fifth	18–21	44	26	40	38	38	36	40	37	27
Top fifth	32	43	34	39	37	36	36	40	39	27

[1] The ranges reflect the different possible treatments of rates – see pages 105–106.

Indirect taxes

It is well known that low income households spend relatively high proportions of their incomes on food and domestic fuel, which do not attract VAT or excise duties. In 1979, for each household type, the proportion spent on food and fuel was two or three times as great for the bottom quintile group as for the top quintile group (Table P). Despite this, for each household type indirect taxes were heavier in percentage terms for the bottom group than for the top group (Table Q). There were two main reasons for this. First, high income households had already paid out more of their gross income as direct tax (Table P). Second, high income households had a much higher net balance of gross income over expenditure (as defined for the FES); this balance includes savings, life and medical insurance premiums, and housing costs like rent and mortgage interest payments, none of which attract VAT or specific duties. Moreover, the bottom quintile groups spent higher proportions of their gross incomes on both alcohol and tobacco, which attract specific duties, and domestic rates (because these are based on rateable values).

Looking at individual taxes (Table R), tobacco duty, duty on beer, and VAT represented higher proportions of gross income for the bottom quintile groups than for the top groups. The top groups, however, paid higher proportions than the lower groups on wine and spirit duty. Different figures would result if disposable income, or expenditure, were used as the base, of course.

Expressing direct and indirect taxes together as a percentage of gross income (Table Q), for retired households the top quintile groups had the highest percentages, followed by the bottom groups. For other types, the bottom groups had the lowest percentages, but the increases in higher groups were generally small. Indirect taxes thus largely offset the equalising effects of direct taxes.

Benefits in kind

The various benefits in kind had different effects on the distributions of income within each household type; and they are not easy to tabulate. Broadly speaking, the average

Indirect taxes (excluding domestic rates) as percentages of gross income; for the top and bottom quintile groups within each household type, 1979

TABLE R

	Duties on hydro-carbon oils	Car tax, VED	Duty on tobacco	Duty on beer	Duty on wines and spirits	VAT and other	Taxes on intermediate production	Total
Percentages Quintile groups ranked by gross income within household type								
Bottom fifth of:								
1–2 adults retired	0·7	0·6	2·3	0·5	0·9	6·0	6·7	17·8
1 adult (other)	0·9	0·7	4·4	0·9	0·7	7·5	7·4	22·4
2 adults (other)	1·1	0·8	3·6	1·0	0·8	6·6	6·2	20·1
2 adults with children	1·3	0·8	4·1	0·9	0·8	7·0	6·8	21·5
3 or more adults	1·2	0·7	3·5	0·9	0·8	6·7	6·2	19·9
1 adult with children	0·5	0·2	6·0	0·2	0·6	5·6	7·1	20·2
Top fifth of:								
1–2 adults retired	0·8	0·7	1·3	0·2	1·0	4·4	4·1	12·5
1 adult (other)	0·9	0·5	1·1	0·7	1·7	6·5	3·9	15·2
2 adults (other)	0·9	0·7	1·0	0·6	1·4	5·4	4·0	14;1
2 adults with children	0·9	0·6	1·0	0·4	0·9	5·0	4·4	13·2
3 or more adults	1·0	0·6	1·5	0·9	1·2	5·9	4·6	15·7
1 adult with children	0·7	0·9	1·1	0·2	0·5	6·5	4·8	14·7

figures allocated for *education* and *health* benefit were similar over the various income groups for each household type, and this made the distributions of income more equal. In fact, for a variety of reasons, the low income groups tended to have somewhat higher average values than the high income groups. For example, within the retired household types, the lower income groups contained relatively large numbers of the oldest people, and thus averaged more health benefit than the higher income groups. And student households, with high education benefit, tended to fall in the lower income groups. Under the conventions used for this article (see page 106), the *housing* subsidy was substantially higher for the low income groups than for the high income groups in each household type, because more of the low-income households were in local authority dwellings in each case. The average values of the '*other*' benefits (passenger rail travel subsidy, option mortgage expenditure and life assurance premium relief) were much higher for high income than for low income households. In total, however, the effects of benefits in kind on the distributions of income within each household type were to offset the effects of indirect taxes. But final income was demonstrably more equally distributed than disposable income only for large families (Table M).

The combined effects of horizontal and vertical redistribution are shown in Table S, in which each household is classified according to its ranking both by original and final income. The leading diagonal of this matrix shows the percentages of households in the same quintile group after redistribution as before it, i.e. in these broad terms they were neither better off nor worse off. Over half of households are on this diagonal.

Households classified by their ranking according to original and final income, 1979

TABLE S

	Quintile groups of households ranked by *final* income					
Percentage of all households Quintile groups of households ranked by *original* income:	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	Total
Bottom fifth ..	13	6	1	—	—	20
Next fifth ..	6	8	4	1	1	20
Middle fifth ..	1	5	8	5	1	20
Next fifth ..	—	1	6	9	4	20
Top fifth	—	—	1	5	14	20
Total	20	20	20	20	20	100

4. INCOME PER EQUIVALENT ADULT

The first part of this article looked at the way that taxes and benefits redistributed income between households irrespective of household size or composition. The next two parts analysed redistribution between household types and between income levels within each household type. Neither of these approaches permits a comprehensive assessment of the redistribution of income across all households that also takes account of the varying needs of households.

For example, the distribution of final income is less unequal than that of original income (Table B). But the top decile groups of households ranked by original income contain more individuals, on average, than households in the bottom decile groups. Therefore if households were ranked by original income *per head*, for example, some of the larger households in the top decile groups would drop to lower decile groups, and some smaller households would move up the distribution. The distributions of original income and final income could then be different on the per head basis.

The drawback of the 'per head' measure is that it makes no distinction between the needs of adults and children. And it ignores, for example, the fact that housing costs do not increase in proportion to the size of the household. It is more realistic to standardise by the number of 'equivalent adults' in a household by giving different weights to children, single adults and couples which reflect their relative needs: but estimating appropriate values of such weights is extremely difficult, and no universally agreed weights have yet emerged; the whole area is one of continuing research. This article adopts the weights used by the now disbanded Royal Commission on the Distribution of Income and Wealth in their sixth report. The weights are:

Married couple	1·00
Single adult	0·61
Child	0·27

This article shows the results of using these weights to take account of household composition. All the figures of household incomes, taxes and benefits described as 'adjusted' are expressed per 'equivalent adult'; all those described as 'unadjusted' are expressed per household.

Percentage shares of total household income on both the unadjusted and adjusted bases, 1979

TABLE T

	Percentage in each quantile group of households re-ranked at each stage			
	Original income		Final income	
	Unadjusted	Adjusted	Unadjusted	Adjusted
Quintile groups:				
Bottom fifth ..	0·5	0·8	7·1	10·8
Next fifth ..	9	10	12	15
Middle fifth ..	19	18	18	18
Next fifth ..	27	27	24	22
Top fifth ..	45	45	38	34
Total	100	100	100	100
Decile groups:				
Bottom tenth ..	—	—	2·8	4·5
Top tenth ..	27	27	22	20
Gini coefficient (per cent) ..	45·2	44·2	31·5	22·8

The spread of original income between quintile groups on the adjusted basis, shown in Table T, was very similar to the spread on the unadjusted basis. There were differences, however, between the two bases in the percentage shares of final income; the shares of the bottom two quintile groups were somewhat higher on the adjusted basis, and the shares of the top groups somewhat lower. The similarity of the distributions of original income on the two bases is the more surprising in that it hides some large differences in the compositions of the corresponding quintile groups (Table U). Small households naturally appeared more frequently at the top of the distribution on the adjusted basis – one and two adult non-retired households, for example, formed two thirds of the households in the top quintile groups, compared with a quarter on the unadjusted basis. Correspondingly, the adjustment shifted households with three or more adults,

Composition of each quintile group of households ranked by original income on both unadjusted and adjusted bases, 1979

TABLE U

	Unadjusted					Adjusted					
	Quintile groups					Quintile groups					
	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	Total
Percentages											
Household type:											
1–2 adults retired	81	28	3	1	1	79	25	4	3	2	23
1 adult (other)	5	20	13	5	2	5	7	5	11	18	9
2 adults (other)	3	20	23	34	25	3	11	15	25	50	21
2 adults with children	4	18	48	39	25	5	34	47	34	15	27
3 or more adults	2	8	11	20	47	3	19	26	26	14	17
1 adult with children	5	6	2	1	—	5	4	3	1	1	3
Total	100	100	100	100	100	100	100	100	100	100	100

and those with children, down the distribution. The bottom quintile group, however, was still dominated by retired households.

Table V shows that redistribution appeared to be larger on the adjusted basis than on the unadjusted basis. This is explained by the large difference between the two bases in the incidence of cash benefits and benefits in kind, the lower quintile groups doing relatively better on the adjusted basis in each case. The bottom quintile groups continued to be dominated by the same (retired) households, and their small average size gave them, relatively, even higher cash benefits on an adjusted basis. And large households, which have high cash benefits and benefits in kind even on an adjusted basis, moved down the ranking. The switching had little effect, however, on the proportions of income taken as direct or indirect tax, and so the effects of taxes on the distribution of income were similar on the two bases.

Redistribution of income between households; unadjusted and adjusted to a per equivalent adult basis, 1979

TABLE V

	Quintile groups of households ranked by original income					Average over all households
	Bottom fifth	Next fifth	Middle fifth	Next fifth	Top fifth	
Average per household (£ per year)						
Unadjusted						
Original income	140	2,280	4,900	7,060	11,700	5,220
Cash benefits	1,680	1,120	510	400	380	820
Gross income	1,820	3,400	5,420	7,460	12,080	6,040
Direct taxes	10	360	970	1,450	2,620	1,080
Disposable income	1,810	3,040	4,450	6,010	9,460	4,960
Indirect taxes	410	770	1,130	1,440	2,040	1,160
Benefits in kind	730	800	970	960	990	890
Final income	2,130	3,080	4,290	5,530	8,410	4,690
Direct taxes as a percentage of gross income	*1*	*11*	*18*	*19*	*22*	*18*
Indirect taxes as a percentage of disposable income[1]	*20–23*	*25*	*25*	*24*	*22*	*23*
Benefits in kind as a percentage of final income	*34*	*26*	*23*	*17*	*12*	*19*
Adjusted to a per equivalent adult basis						
Original income	170	1,980	3,760	5,460	9,130	4,100
Cash benefits	2,080	1,050	420	320	190	810
Gross income	2,250	3,030	4,180	5,770	9,320	4,910
Direct taxes	10	300	730	1,140	2,110	860
Disposable income	2,240	2,740	3,450	4,630	7,210	4,050
Indirect taxes	500	690	870	1,090	1,590	950
Benefits in kind	880	820	710	570	450	670
Final income	2,610	2,870	3,290	4,110	6,080	3,790
Direct taxes as a percentage of gross income	—	*10*	*17*	*20*	*23*	*17*
Indirect taxes as a percentage of disposable income[1]	*20–22*	*25*	*25*	*24*	*22*	*23*
Benefits in kind as a percentage of final income	*34*	*29*	*22*	*14*	*7*	*18*

[1] The range reflects the different possible treatments of rates – see pages 105–106.

APPENDIX 1

Methodology and Definitions

The allocation of government expenditure and its financing

1. There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the *National Income and Expenditure* Blue Book to apportioning taxes and benefits to individual households. We can obtain information about the types of household that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their ages and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which are not covered in the FES and which are difficult to apportion to individual households. Indeed, most people would probably not think of these as leading to a reduction in their personal incomes. Similarly, there are other items of government expenditure, such as capital expenditure and expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Family Expenditure Survey

2. The estimates in this article are based mainly on data derived from the FES. The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each respondent keeps a full record of all payments made during 14 consecutive days and answers questions about hire purchase and other payments. Households are also asked in detail about their income from all sources, but there is no systematic linkage of income and expenditure to yield a balanced household budget for any particular period. Every household member aged 16 and over is asked to give detailed information where appropriate about income, including national insurance and other cash benefits received from the state, and payments of income tax. Information on age, occupation, kinds of education being received, family composition and housing tenure is also obtained.

3. One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The latest report is the *Family Expenditure Survey Report* for 1979. Details of the survey method are set out in *Family Expenditure Survey Handbook* by W F F Kemsley, R U Redpath and M Holmes. Both are published by Her Majesty's Stationery Office.

4. The number of households co-operating in the FES in 1979 was 6,777. There is some evidence that households who respond to the FES differ from those who do not (see 'Family Expenditure Survey: a study of differential response based on a comparison of the 1971 sample with the census' by W F F Kemsley, *Statistical News* No. 31, November 1975 (HMSO)). The effect of this differential response on the accuracy of the estimates of redistribution is the subject of an article 'Differential response in the Family Expenditure Survey: the effect on estimates of redistribution of income' by R Harris in *Statistical News* No. 39, November 1977 (HMSO). The response rate in 1979 was 68 per cent.

5. The available evidence suggests that older households, households where the head is self-employed, and those without children are less likely to co-operate than others. There are regional variations in response; for example in the Greater London area it is noticeably lower than in other areas. There are also indications that higher income households are less likely to respond. It is not practicable at present to correct for any consequential non-response bias; the results in the article are based on the responses of those households which actually co-operated in the survey. This means that some of the figures differ from those produced by other surveys.

Unit of analysis

6. The basic unit of analysis in the article is the household, and not the family or the individual. A household is defined in the FES as comprising persons who live at the same address and who share common catering for at least one meal a day. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information or assumptions it is impossible to apportion indirect taxes between individuals or other sub-divisions of households. And it would be far from simple to apportion income, direct taxes and benefits.

7. It would not be correct to use the analysis to discuss the impact of taxes and benefits on the incomes of individual members of a household. For example, the original income of an old person living in a household may be out of line with that of the household as a whole. This is also one reason why, for example, unemployment benefit and retirement pensions are received by households whose position in the income distribution would seem to make them ineligible.

8. A retired household is defined as one in which the combined income of members who are at least 60, and who describe themselves as retired or unoccupied, amounts to at least half the total gross income of the household; or in which the head is over state pension age, and more than three quarters of the household's income consists of national insurance retirement and similar state pensions, or related supplementary benefit.

9. By no means all retired people are in retired households; about one in three households comprising three or more adults contain retired people, for example, and households comprising one retired and one non-retired adult are usually classified as non-retired.

10. In classifying the households, adults have been taken as all people aged 16 and over. Most of the 'extra' adults in households with at least three adults are sons or daughters of the head of household rather than retired people.

11. The sample households have been classified according to their compositions at the time of the interview; it is particularly important to bear this in mind for households comprising one adult with children – it is likely that many of these households changed their composition at some time during 1979.

Income: redistributive stages

12. *Stage one*

Original income *plus* benefits in cash = Gross income.

Stage two

Gross income *minus* direct taxes = Disposable income.

Stage three

Disposable income *minus* indirect taxes *plus* other benefits = Income after all taxes and benefits (final income).

13. The starting point of the analysis is *original income*. This is income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. It includes income from employment, self-employment and investment, including occupational pensions, and is based on a concept of normal income around which the FES income questions are structured. Employment income is taken as the last payment received before the interview or, where different, the amount usually received. Allowance is also made for periods of absence from work through sickness and unemployment, and for occasional payments. Income from self-employment is recorded in the FES for a past period. This is adjusted, for each household, using an index of income from self-employment derived from the National Accounts, to bring it up to current levels. In the case of interest, dividends and rent income, the amount received in the twelve months before the interview is taken, unadjusted. Income from occupational pensions is taken as the last payment received.

14. Some income in kind is included, though the coverage of fringe benefits is not comprehensive. Households living in rent-free dwellings are each assigned an imputed income based upon the rateable value of the dwelling. This is counted as employment income if the tenancy depends on the job. The various components of income are converted to estimated normal annual rates.

15. The next stage of the analysis is to show the distribution of *cash benefits* and to add these to original income to obtain *gross income*. This is slightly different to the 'gross normal weekly income' used in the FES Report, mainly because it excludes the imputed rent of owner-occupiers. Cash benefits are:

Age-related

Retirement and old persons' pension, Widows' benefit, Christmas bonus for pensioners.

Child-related

Child benefit, Maternity benefit, Maternity grant.

Income-related

Unemployment benefit, Family Income Supplement, Supplementary benefit, Electricity discounts, Rent rebates and rent allowances, Student maintenance awards.

Other cash benefits

War pension, Invalidity pension, Non-contributory invalidity pension, Housewives non-contributory invalidity pension, Invalid care allowance, Attendance allowance, Sickness benefit, Industrial injury disablement benefit, Death grant, other benefits.

16. This division involves some arbitrary allocations (for example, most income-related benefits depend on the number of children in the household), and it differs from classifications used elsewhere. It is adopted in the article purely for the purpose of shedding further light on the redistributive effects of cash benefits.

17. Supplementary benefit includes all supplementary allowances where they are separately distinguished by respondents. Income from most benefits is taken as the product of the last weekly payment and the number of weeks the benefit was received in the 12 months prior to interview. Rent rebates and rent allowances are taken as those currently received by households. Figures for rent rebates and rent allowances shown in the National Accounts (and in Table 1 of Appendix 3) include payments made by local authorities to the Department of Health and Social Security in respect of recipients of supplementary benefit, who would otherwise be eligible for such rebates and allowances.

18. *Direct taxes* are then deducted to give *disposable income*. Direct taxes are:

Income tax
Employees' and self-employed contributions to national insurance and national health services.

19. The estimates are based on the amount deducted from the last payment in the case of employment income and occupational pensions, and on the amount paid in the last 12 months in the case of income from self-employment, interest, dividends and rent.

20. As original income includes some elements not actually received in cash, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household, and which influence spending decisions.

21. One of the basic problems of allocating government revenues and expenditures to households is in identifying the ultimate payer or recipient. In some cases, for example corporation tax, this is impracticable or highly controversial and so we prefer not to allocate the items concerned. Even for those we do allocate the criteria used are sometimes questionable. Thus, the lack of data forces us to assume that the incidence of direct taxes falls on the individual from whose income the tax is deducted. The analysis implies that the benefit of tax relief, for example for mortgage interest, accrues directly to the tax payer rather than to some other party, for example, the vendor of the land. It also implies that no section of the working population has been able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. The major taxes not allocated are corporation tax and taxes on capital.

22. The order in which the remaining allocated items are presented is to some extent arbitrary.

23. *Indirect taxes on final consumer goods and services* are:

Local authority rates on dwellings (after rebates)
Duties on beer, wines, spirits, tobacco, oil, betting, etc.
Value added tax (VAT)
Protective (import) duties
Car tax
Motor vehicle duties
Driving licences
Television licences
Stamp duties

24. These taxes are either levied directly on the consumer (for example domestic rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT.

25. VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchasers and vendors of such cars. In allocating taxes, expenditures recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery are weighted to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure.

26. The figures for *domestic rates* include, as well as local authority rates, charges made by water authorities for water and sewerage services, although these charges to households in England and Wales are no longer counted as general government receipts in the National Accounts. (In Scotland these payments go to the local authorities and are so counted.) As explained in the article, local authority rates are paid in full by most recipients of supplementary benefit, as the supplementary benefit payments they receive include an allowance for this item.

27. *Indirect taxes on intermediate goods and services* are:

Local authority rates on commercial and industrial property
Motor vehicle duties
Duties on hydrocarbon oils
Protective (import) duties
Stamp duties
Employers' contributions to national insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme
National insurance surcharge

28. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the article, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and final consumption using input-output techniques.

29. Finally, we add the effects of *benefits in kind* for which there is a reasonable basis for allocation to households, to obtain *final income*. Benefits in kind are:

National Health Service
State education
School meals, milk and other welfare foods
Housing subsidy
Rail travel subsidy
Option mortgage expenditure
Life assurance premium relief

30. The measure of the benefit of the *National Health Service* to households is the cost of providing the service. That cost is estimated according to the average use made of the service by individuals of different ages and sex. It is then applied to the individuals in the FES in the corresponding age-sex groups. The benefit of the maternity services is assigned separately to those households in receipt of maternity benefit.

31. *Education benefit* is estimated by the Department of Education and Science as the cost per pupil or student in special schools, primary, secondary and direct grant schools, universities, and other further education establishments. The value of the benefit attributed to a household depends on the number of persons in the household recorded in the FES as receiving each kind of education.

32. The value of *school meals and other welfare foods* is based on their cost to the public authorities. Any payment by the individual households is subtracted to arrive at a net contribution.

33. In this article local authority tenants are defined to include New Town and Scottish Housing Association tenants, but to exclude tenants of other housing associations. The total *housing subsidy* for local authority tenants is defined as the difference between current account expenditure by public authorities on housing (the sum of the 'economic rents') and the unrebated rents paid by tenants of local authority dwellings. For each local authority dwelling in the sample, the subsidy is derived as the excess of the estimated economic rent over the unrebated rent paid by the tenant. The economic rent of each dwelling is calculated by multiplying the rateable value of that dwelling by the ratio of the total current account expenditure on all dwellings owned by the local authority to the total rateable value of those dwellings. As explained in the article, other conventions in allocating the subsidy are conceivable.

34. Food subsidies, included in previous years, were negligible in 1979 and this item has therefore been omitted. And in line with the practice of earlier years, agricultural subsidies are regarded as contributing to the original income of farmers, and not as being benefits to consumers.

35. The *rail travel subsidies* allocated are those to British Rail and to London Transport railways (the Underground). They are estimated by calculating the ratio of the cost of the subsidy to consumers' expenditure on rail fares. In allocating the British Rail subsidy the total subsidy paid is apportioned between freight and passenger services by the receipts of British Rail for their freight and passenger business, and then a further apportionment between the personal and the business and other sectors is made. This gives the amount of subsidy attributable to rail travel by the personal sector. In allocating the subsidy to London Transport railways the total subsidy to London Transport is apportioned between tube and bus services by the receipts of these sectors, with an allowance for the use of the Underground for business purposes.

36. A more detailed account of the treatment of subsidies is given in an article, 'The redistributive effect of subsidies on households' in *Economic Trends* No. 289, November 1977.

37. *Option mortgages* are those where the building societies (or other bodies) charge a low rate of interest, being compensated for this by payments from central government. The interest payments do not then qualify for tax relief, the scheme being primarily for the benefit of non-taxpayers. The benefit to each household holding an option mortgage is assumed to be in proportion to its last interest payment.

38. Central government makes payments to *life assurance* funds enabling them to reduce their premiums to most policy-holders. The benefit to each household of this expenditure is assumed to be in proportion to its premium payments (only those householders recording payments since 1 April 1979 are allocated benefit, this being the date that the scheme started).

39. It must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure, and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the methods both of allocating taxes and of valuing and apportioning benefits to individual households are subject to error. For example, in allocating indirect taxes we assume

that the part of the tax falling on consumers' expenditure is borne by the households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different to the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service (for example, health service expenditure lowers the general likelihood of infectious diseases).

Gini coefficient

40. The Gini coefficient is the most widely used summary measure of the degree of inequality in an income distribution. It can most easily be understood by considering a Lorenz curve of the income distribution, i.e. a graph of the cumulative income share against the cumulative household share. The curve representing complete equality of income is thus a diagonal line, as in Diagram A, while complete inequality (with only one recipient of income) is represented by a curve comprising the horizontal axis and the right-hand vertical axis.

41. A more typical Lorenz curve is illustrated in Diagram B. The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini coefficient. This is the shaded area in Diagram B. Thus a distribution of perfectly equal incomes has a Gini coefficient of zero; as inequality increases (and the Lorenz curve bellies out), so does the Gini coefficient until, with complete inequality, it reaches its maximum value of 1 (or 100 per cent).

Previous articles

42. This article is the latest in an annual series. Earlier articles covering the years 1957 to 1977 were published in the following issues of *Economic Trends:* November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976, February 1978, January 1979 and January 1980. The December 1974 article contains a comprehensive account of the methods employed and the changes in treatment over the years (updated in Appendix 2 to this article). As far as is practicable with the resources available, the Central Statistical Office will provide on request analyses for 1979 on a basis comparable with those for earlier years. Enquiries should be addressed to D. Westcott, Branch 12, Central Statistical Office, Great George Street, London SW1P 3AQ, Telephone 01–233 8300.

DIAGRAM A

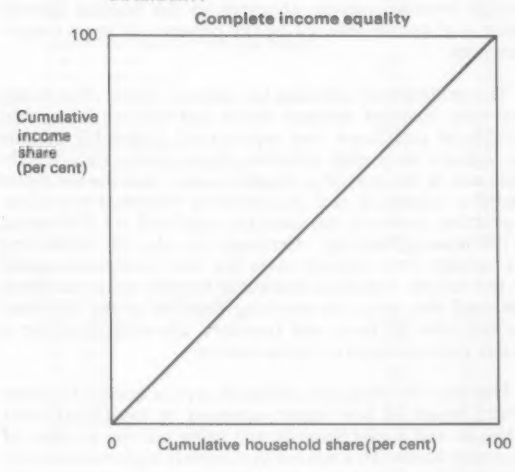
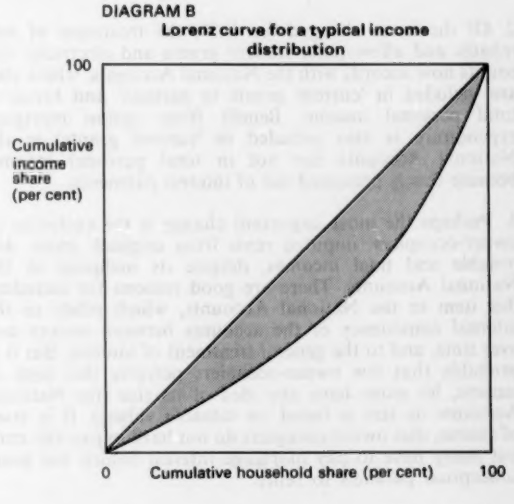


DIAGRAM B



APPENDIX 2

Changes in definition and treatment of items since the article published in December 1974

1. The article on the effects of taxes and benefits in 1973 (published in December 1974) contained an Appendix giving changes that had been implemented in the series up to then. This appendix updates that list.

Item	*Change*	*Analysis year for which change made*
Food subsidies	Introduced into analysis	1974
Income ranges	Quantile basis introduced	1976
Rail travel subsidy	Introduced into analysis	1977
Rent rebates and allowances	Treated as cash benefits rather than housing subsidies	1979
Electricity discounts	Introduced into analysis	1979
Option mortgage expenditure	Introduced into analysis	1979
Life assurance premium relief	Introduced by government and into analysis	1979
Food subsidies	Dropped from analysis (de minimis)	1979
Imputed rent from owner-occupation	Excluded from income	1979
Redundancy fund payments	Dropped from analysis	1979
Subsidies	Not identified as a separate economic category	1979
Income from self-employment	Estimates updated to current period	1979
Student maintenance grants	Treated as cash benefits rather than education benefits	1979
Direct taxes	Adjusted for abnormalities in last payment (as income)	1979
Car tax and VAT on cars	Introduced as negative for all sales of cars (previously only for trade-ins)	1979
Health benefit	Refinements made (see text)	1979

2. Of the items changed for 1979, the treatment of rent rebates and allowances, student grants and electricity discounts now accords with the National Accounts, where they are included in 'current grants to persons' and hence in total personal income. Benefit from option mortgage expenditure is also included in 'current grants' in the National Accounts but not in total personal income, because this is presented net of interest payments.

3. Perhaps the most important change is the exclusion of owner-occupiers' imputed rents from original, gross, disposable and final incomes, despite its inclusion in the National Accounts. There are good reasons for including this item in the National Accounts, which relate to the internal consistency of the accounts between sectors and over time, and to the general treatment of interest. But it is probable that few owner-occupiers perceive this item as income, let alone have any idea of its size (for National Accounts its size is based on rateable values). It is true, of course, that owner-occupiers do not have to pay any rent, but many have to pay mortgage interest (which has some conceptual parallels to rent).

4. In order to permit a comparison over time, and to show the effects of excluding imputed rent, Table X shows some details on each basis. The effect of excluding imputed rent has been to reduce original income by an average of £282 per household. The only other major effect is to switch some owner-occupiers with low other incomes (mainly retired) from the second and third decile groups into the bottom decile group. An analysis of the later stages of redistribution (not shown) reveals little additional variation caused by the exclusion of imputed rent, although the average housing subsidy allocated to the bottom quintile group is of course reduced by the presence of more owner-occupiers.

5. The treatment of subsidies has altered slightly. Previously they were included between direct and indirect taxes, and a sub-total calculated that represented disposable income less indirect taxes plus subsidies. In economic theory, subsidies can be thought of as negative taxes, and the net figure indeed is calculated and shown in the National Accounts. In practice, however, the subsidies allocated are dominated by the housing subsidy. Certainly the idea of subtracting this subsidy from indirect taxes has little analytical appeal for this article. Subsidies and other benefits have thus been combined this year, the resulting deletion of the sub-total 'income after all taxes and transfers' allowing room for a greater concentration on gross income.

6. This year the allocation of health service benefit has been refined, based on new figures supplied by the Department of Health and Social Security and using a larger number of age-group bands. This has led to relatively higher allocations being attributed to very young children and to the very old. The most noticeable effect of this on the analyses in the article has been to raise the health benefit to retired households – especially those with one adult, where there is a particularly high proportion of the very old. Because many retired households fall in the lower parts of the income distribution, this new allocation has increased the proportion of health benefit (and consequently of final income) attributed to low income households. Table Y below shows the effects of the new figures on the distribution of health benefit and final income.

The effect of excluding imputed rent from owner occupation from original income, 1979

TABLE X

£ per year

	Decile groups of households ranked by original income										Average over all households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
(i) Ranked excluding imputed rent											
Original income	6	270	1,394	3,160	4,378	5,431	6,456	7,671	9,364	14,038	5,217
Imputed rent excluded	70	165	216	204	213	293	330	364	423	544	282
Total	76	435	1,610	3,364	4,591	5,724	6,786	8,035	9,787	14,582	5,499
Percentage of households which are owner-occupiers	*21*	*42*	*45*	*44*	*47*	*60*	*64*	*67*	*71*	*75*	*53*
(ii) Re-ranked including imputed rent											
Items other than imputed rent	21	289	1,378	3,176	4,373	5,442	6,448	7,664	9,354	14,018	5,217
Imputed rent	2	168	242	177	218	269	348	365	449	585	282
Original income	23	458	1,620	3,353	4,592	5,711	6,797	8,029	9,803	14,604	5,499
Percentage of households which are owner-occupiers	*2*	*50*	*50*	*40*	*47*	*59*	*67*	*68*	*74*	*79*	*53*

The effect on redistribution of refining the allocation of health services benefit, 1979

TABLE Y

£ per household	Former allocation	Current allocation
Health benefit		
Quintile groups of households ranked by original income (as Table E):		
Bottom fifth	370	460
Next fifth	370	380
Middle fifth	400	390
Next fifth	370	350
Top fifth	400	370
Household composition type (as Table K):		
1 adult retired	280	380
1 adult non-retired	140	120
2 adults retired	520	600
2 adults non-retired	290	260
2 adults, 1 child	440	450
2 adults, 2 children	460	440
2 adults, 3 or more children	590	580
3 or more adults with no children	460	430
3 or more adults with children	530	490
1 adult with children	290	270
All households	380	390
Final income		
Decile groups of households ranked by original income (as Table B):		
Bottom tenth	2,030	2,120
2nd tenth	2,040	2,130
3rd tenth	2,710	2,730
4th tenth	3,420	3,420
5th tenth	3,960	3,950
6th tenth	4,640	4,630
7th tenth	5,200	5,190
8th tenth	5,910	5,880
9th tenth	6,990	6,960
Top tenth	9,900	9,860
All households	4,680	4,690

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General government expenditure in 1979

TABLE 1

	£ million	*Percentage of total expenditure*
Allocated expenditure		
Allocated cash benefits[1]		
Social security benefits	17,570	*20·7*
Student maintenance grants	1,760	*2·1*
Rent rebates and rent allowances	520	*0·6*
Electricity discounts	30	—
Allocated benefits in kind[1]		
Health services	8,310	*9·8*
Education	7,170	*8·4*
School meals, milk, welfare foods	540	*0·6*
Option mortgages	170	*0·2*
Housing subsidy	1,970	*2·3*
Rail travel subsidy	320	*0·4*
	38,370	*45·2*
Unallocated expenditure		
Other current expenditure on social, environmental and protective services		
Social services		
Social security benefits administration	810	*1·0*
Personal social services	1,650	*1·9*
Other	30	—
Environmental services		
Housing	100	*0·1*
Water, sewerage, land drainage and public health	830	*1·0*
Parks, etc	460	*0·5*
Miscellaneous local authority services	750	*0·9*
Libraries, museums, and arts	420	*0·5*
Protective services		
Police	1,640	*1·9*
Parliament, courts and prisons	780	*0·9*
Fire services	340	*0·4*
	7,830	*9·2*
Capital expenditure on social, environmental and protective services		
Social services	1,210	*1·4*
Environmental services		
Housing	3,330	*3·9*
Other	1,150	*1·4*
Protective services	130	*0·2*
	5,830	*6·9*
Other current expenditure		
Defence and external relations	11,210	*13·2*
Roads, transport and communications	1,840	*2·2*
Industry, trade, agriculture, research and employment	3,610	*4·3*
Other	1,450	*1·7*
	18,110	*21·3*
Other capital expenditure	4,580	*5·4*
Debt interest	8,830	*10·4*
Non-trading capital consumption	1,360	*1·6*
Total expenditure	84,910	*100·0*

[1] Including benefits to people not living in private households.

Source: *National Income and Expenditure, 1980 edition*, Table 9.4

Financing of general government expenditure in 1979

TABLE 2

	£ million	*Percentage of total financing*
Allocated financing		
Allocated taxes[1]		
Direct taxes		
Income tax	20,350	*24·0*
Employees' and self-employed NI contributions	4,580	*5·4*
Indirect taxes		
Domestic rates (net of rebates)	2,970	*3·5*
Taxes on final goods and services	15,220	*17·9*
Taxes on intermediate goods and services	6,890	*8·1*
	50,020	*58·9*
Unallocated financing		
Unallocated taxes		
Corporation tax, etc	4,730	*5·6*
Taxes on expenditure not allocated to consumers' expenditure	8,230	*9·7*
Employers' NI contributions not allocated to consumers' expenditure	4,000	*4·7*
Taxes on capital	1,110	*1·3*
	18,070	*21·3*
Other receipts[2]	4,690	*5·5*
Government borrowing requirement	12,130	*14·3*
Total financing	84,910	*100·0*

[1] Including taxes paid by people not living in private households.

[2] Receipts of rent, interest, dividends, trading income and miscellaneous transactions (net).

Source: *National Income and Expenditure, 1980 edition,* Table 9.1

Average incomes, taxes and benefits, 1979

By decile groups of original and disposable incomes

TABLE 3

£ per year

	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	Average over all decile groups
(i) Decile groups of original income											
All households											
Deciles	*46*	*608*	*2,413*	*3,780*	*4,923*	*5,941*	*7,004*	*8,398*	*10,602*		
Number of households in the sample	678	677	678	678	677	678	678	678	677	678	6,777
Original income											
Earned income	—	36	668	2,623	4,016	5,102	6,081	7,342	8,951	13,221	4,804
Other income	6	234	726	537	362	329	375	329	413	818	413
Total	6	270	1,394	3,160	4,378	5,431	6,456	7,671	9,364	14,038	5,217
Direct benefits in cash											
Age-related	957	1,231	978	363	186	125	109	84	103	112	425
Child-related	55	26	61	157	201	242	204	198	187	165	150
Income-related	527	263	209	146	73	66	52	35	42	56	147
Other	181	113	186	150	68	64	63	54	45	48	97
Gross income	1,726	1,903	2,828	3,976	4,906	5,927	6,884	8,042	9,742	14,418	6,036
Direct taxes	1	17	167	548	853	1,080	1,328	1,570	1,987	3,246	1,080
Disposable income	1,725	1,886	2,661	3,428	4,053	4,847	5,556	6,472	7,755	11,172	4,956
Domestic rates (net of rebates)	117	103	139	153	159	173	182	197	210	249	168
Other indirect taxes	265	336	533	723	901	1,024	1,153	1,357	1,557	2,073	992
Benefits in kind											
Education	137	76	209	309	393	414	446	449	451	438	332
National Health Service	437	477	391	378	381	400	355	339	353	381	389
Welfare foods	21	10	16	32	26	33	32	31	28	23	25
Housing subsidy	179	116	115	126	127	98	92	86	74	76	109
Other allocated benefits	4	6	10	23	34	35	38	55	62	95	36
Final income	2,122	2,132	2,731	3,420	3,953	4,630	5,185	5,876	6,955	9,864	4,687
(ii) Decile groups of disposable income											
All households											
Deciles	*1,659*	*2,306*	*3,015*	*3,774*	*4,515*	*5,253*	*6,050*	*7,049*	*8,783*		
Number of households in the sample	678	677	678	678	677	678	678	678	677	678	6,777
Original income											
Earned income	63	277	1,193	2,738	3,847	5,030	5,986	7,129	8,836	12,940	4,804
Other income	119	284	436	432	420	341	330	436	460	871	413
Total	182	561	1,629	3,170	4,267	5,371	6,316	7,565	9,297	13,811	5,217
Direct benefits in cash											
Age-related	874	1,020	850	406	314	175	185	142	126	157	425
Child-related	3	33	67	149	199	226	214	205	206	193	150
Income-related	258	317	228	134	108	96	107	77	60	82	147
Other	43	84	138	153	115	106	115	70	85	62	97
Gross income	1,360	2,016	2,912	4,012	5,003	5,974	6,938	8,059	9,774	14,305	6,036
Direct taxes	48	84	302	623	858	1,099	1,301	1,552	1,958	2,970	1,080
Disposable income	1,311	1,932	2,610	3,389	4,145	4,875	5,637	6,507	7,816	11,335	4,956
Domestic rates (net of rebates)	100	119	133	153	163	174	185	193	217	246	168
Other indirect taxes	227	328	534	744	894	1,019	1,182	1,316	1,580	2,100	992
Benefits in kind											
Education	38	64	156	274	364	392	479	539	524	492	332
National Health Service	359	426	404	378	418	403	365	357	367	415	389
Welfare foods	—	8	23	29	29	33	34	32	35	28	25
Housing subsidy	115	142	134	128	121	109	99	89	75	80	109
Other allocated benefits	4	6	14	23	31	35	43	52	60	95	36
Final income	1,501	2,131	2,673	3,324	4,051	4,653	5,290	6,068	7,080	10,099	4,687

Average incomes, taxes and benefits, 1979

By quintile groups of original income within household type

TABLE 4

£ per year

	Quintile groups					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(i) 1 adult retired						
Quintiles	—	*29*	*190*	*623*		
Number of households in the sample	175	174	175	174	175	873
Original income						
Earned income	—	4	16	3	5	
Other income	3	82	369	1,935	479	
Total	4	86	385	1,938	484	
Direct benefits in cash						
Age-related	1,010	1,009	1,059	1,001	1,018	
Child-related	—	—	—	—	—	
Income-related	369	255	104	32	226	
Other	48	58	41	15	42	
Gross income	1,430	1,409	1,589	2,987	1,770	
Direct taxes	—	11	39	444	99	
Disposable income	1,430	1,398	1,551	2,543	1,671	
Domestic rates (net of rebates)	113	103	94	171	119	
Other indirect taxes	171	191	232	352	224	
Benefits in kind						
Education	—	—	—	—	—	
National Health Service	407	407	365	334	384	
Welfare foods	—	—	—	—	—	
Housing subsidy	160	112	117	49	119	
Other allocated benefits	2	3	3	4	3	
Final income	1,714	1,626	1,710	2,407	1,834	
(ii) 1 adult non-retired						
Quintiles	*1,266*	*2,900*	*3,942*	*5,268*		
Number of households in the sample	124	124	125	124	124	621
Original income						
Earned income	246	1,801	3,253	4,347	6,729	3,275
Other income	189	326	208	208	647	315
Total	435	2,127	3,461	4,555	7,376	3,590
Direct benefits in cash						
Age-related	461	384	110	60	37	210
Child-related	—	—	—	—	—	—
Income-related	374	60	11	1	17	92
Other	172	29	41	28	8	56
Gross income	1,442	2,600	3,623	4,646	7,437	3,949
Direct taxes	34	420	764	1,100	1,876	839
Disposable income	1,408	2,180	2,859	3,545	5,561	3,110
Domestic rates (net of rebates)	105	129	129	145	185	138
Other indirect taxes	321	414	601	805	1,153	659
Benefits in kind						
Education	206	37	12	12	35	60
National Health Service	148	137	110	103	103	120
Welfare foods	—	—	—	—	—	—
Housing subsidy	135	108	92	112	28	95
Other allocated benefits	9	9	30	26	43	23
Final income	1,480	1,929	2,373	2,849	4,431	2,612

Average incomes, taxes and benefits, 1979

By quintile groups of original income within household type

TABLE 4 (*continued*)

	£ per year					
	Quintile groups					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(iii) 2 adults retired						
Quintiles	*40*	*228*	*613*	*1,509*		
Number of households in the sample	134	134	133	133	134	668
Original income						
Earned income	—	6	25	67	175	55
Other income	6	118	394	899	3,594	1,003
Total	7	123	419	966	3,770	1,058
Direct benefits in cash						
Age-related	1,563	1,700	1,715	1,596	1,572	1,629
Child-related	—	—	—	—	2	—
Income-related	325	202	100	66	14	142
Other	256	140	133	200	66	159
Gross income	2,150	2,166	2,368	2,829	5,423	2,988
Direct taxes	4	7	18	94	929	211
Disposable income	2,146	2,158	2,349	2,735	4,494	2,777
Domestic rates (net of rebates)	112	101	107	133	224	135
Other indirect taxes	340	377	451	553	709	486
Benefits in kind						
Education	—	16	—	—	—	3
National Health Service	630	607	657	553	547	599
Welfare foods	—	—	—	—	—	—
Housing subsidy	154	127	122	90	49	108
Other allocated benefits	6	6	10	6	7	7
Final income	2,486	2,435	2,580	2,700	4,164	2,874
(iv) 2 adults non-retired						
Quintiles	*3,614*	*5,617*	*7,119*	*8,842*		
Number of households in the sample	284	284	285	284	284	1,421
Original income						
Earned income	1,861	4,331	6,108	7,642	10,666	6,122
Other income	279	329	264	293	727	378
Total	2,139	4,660	6,373	7,935	11,394	6,500
Direct benefits in cash						
Age-related	724	295	121	64	49	251
Child-related	7	4	3	1	2	3
Income-related	210	62	51	9	14	69
Other	341	72	76	49	24	112
Gross income	3,420	5,093	6,624	8,058	11,483	6,936
Direct taxes	318	928	1,294	1,723	2,636	1,380
Disposable income	3,102	4,165	5,330	6,336	8,847	5,556
Domestic rates (net of rebates)	140	159	170	187	234	178
Other indirect taxes	674	931	1,171	1,297	1,628	1,140
Benefits in kind						
Education	47	60	26	15	—	30
National Health Service	378	286	234	208	208	263
Welfare foods	—	—	—	—	—	—
Housing subsidy	115	114	84	78	39	86
Other allocated benefits	11	22	37	65	83	43
Final income	2,839	3,557	4,370	5,217	7,315	4,659

Average incomes, taxes and benefits, 1979

By quintile groups of original income within household type

TABLE 4 (*continued*)

	£ per year					
	Quintile groups					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(v) 2 adults, 1 child						
Quintiles	*3,824*	*5,013*	*6,032*	*7,572*		
Number of households in the sample	121	121	120	121	121	604
Original income						
Earned income	2,333	4,376	5,365	6,567	9,785	5,685
Other income	167	91	149	128	406	188
Total	2,500	4,467	5,513	6,694	10,191	5,874
Direct benefits in cash						
Age-related	173	—	33	—	—	41
Child-related	249	244	271	223	242	246
Income-related	413	21	34	14	28	102
Other	247	54	56	12	14	77
Gross income	3,581	4,786	5,906	6,944	10,474	6,339
Direct taxes	323	842	1,029	1,375	2,157	1,146
Disposable income	3,258	3,944	4,877	5,569	8,317	5,193
Domestic rates (net of rebates)	143	153	176	195	248	183
Other indirect taxes	731	967	1,084	1,091	1,446	1,064
Benefits in kind						
Education	364	187	222	270	277	264
National Health Service	480	450	497	398	417	448
Welfare foods	34	12	14	21	14	19
Housing subsidy	156	79	86	44	27	78
Other allocated benefits	20	43	49	63	79	51
Final income	3,439	3,594	4,485	5,079	7,438	4,808
(vi) 2 adults, 2 children						
Quintiles	*4,357*	*5,608*	*6,827*	*8,535*		
Number of households in the sample	171	170	171	170	171	853
Original income						
Earned income	3,057	4,977	6,081	7,436	11,550	6,621
Other income	60	27	127	209	446	174
Total	3,117	5,004	6,208	7,645	11,996	6,795
Direct benefits in cash						
Age-related	49	—	8	—	—	11
Child-related	389	400	395	398	396	395
Income-related	247	47	12	5	5	63
Other	173	46	33	21	20	59
Gross income	3,974	5,498	6,655	8,069	12,417	7,324
Direct taxes	469	962	1,235	1,561	2,637	1,373
Disposable income	3,506	4,536	5,420	6,507	9,780	5,951
Domestic rates (net of rebates)	161	169	190	210	260	198
Other indirect taxes	849	972	1,080	1,320	1,632	1,167
Benefits in kind						
Education	627	513	647	686	708	636
National Health Service	494	501	437	399	364	439
Welfare foods	59	52	48	65	66	58
Housing subsidy	131	115	88	69	43	89
Other allocated benefits	46	37	41	52	88	53
Final income	3,854	4,613	5,433	6,248	9,157	5,862

Average incomes, taxes and benefits, 1979

By quintile groups of original income within household type

TABLE 4 (*continued*)

	£ per year					
	Quintile groups					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(vii) 2 adults, 3 or more children						
Quintiles	*3,744*	*5,081*	*5,995*	*7,814*		
Number of households in the sample	73	73	72	73	73	364
Original income						
Earned income	1,651	4,413	5,508	6,676	10,984	5,847
Other income	88	34	69	78	407	135
Total	1,739	4,447	5,577	6,754	11,392	5,983
Direct benefits in cash						
Age-related	25	—	—	—	—	5
Child-related	710	652	642	621	639	653
Income-related	981	34	80	9	8	223
Other income	327	48	48	24	14	92
Gross income	3,781	5,181	6,347	7,409	12,053	6,956
Direct taxes	183	852	1,038	1,302	2,555	1,186
Disposable income	3,598	4,329	5,309	6,107	9,498	5,769
Domestic rates (net of rebates)	152	167	176	194	253	188
Other indirect taxes	786	882	1,137	1,239	1,497	1,108
Benefits in kind						
Education	1,499	1,238	1,216	1,219	1,174	1,269
National Health Service	629	648	575	509	524	577
Welfare foods	267	107	89	118	99	136
Housing subsidy	264	249	148	122	65	170
Other allocated benefits	20	36	43	32	76	42
Final income	5,338	5,558	6,067	6,676	9,685	6,667
(viii) 3 or more adults with no children						
Quintiles	*5,252*	*7,930*	*10,197*	*12,904*		
Number of households in the sample	128	128	128	128	128	640
Original income						
Earned income	2,514	6,345	8,583	11,116	15,032	8,718
Other income	475	349	547	317	1,015	541
Total	2,989	6,695	9,129	11,434	16,047	9,259
Direct benefits in cash						
Age-related	1,093	332	358	203	172	432
Child-related	31	33	33	25	25	29
Income-related	527	182	83	96	71	192
Other	375	201	96	49	72	159
Gross income	5,015	7,443	9,698	11,807	16,387	10,070
Direct taxes	483	1,395	1,931	2,502	3,779	2,018
Disposable income	4,532	6,048	7,767	9,304	12,608	8,052
Domestic rates (net of rebates)	139	175	195	212	227	190
Other indirect taxes	959	1,399	1,777	1,965	2,520	1,724
Benefits in kind						
Education	729	346	312	221	315	385
National Health Service	583	389	383	405	414	435
Welfare foods	—	2	3	3	2	2
Housing subsidy	154	159	97	140	95	129
Other allocated benefits	27	39	47	61	112	57
Final income	4,925	5,409	6,637	7,958	10,799	7,146

Average incomes, taxes and benefits, 1979

By quintile groups of original income within household type

TABLE 4 (*continued*)

	£ per year					
	Quintile groups					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(ix) 3 or more adults with children						
Quintiles	*5,753*	*7,652*	*9,138*	*11,660*		
Number of households in the sample	110	110	109	110	110	549
Original income						
Earned income	3,706	6,674	8,206	10,150	14,570	8,662
Other income	245	168	186	138	542	256
Total	3,951	6,842	8,392	10,288	15,112	8,918
Direct benefits in cash						
Age-related	341	143	137	47	108	155
Child-related	406	372	364	330	348	364
Income-related	503	127	102	80	138	190
Other	421	95	60	58	118	151
Gross income	5,622	7,578	9,055	10,802	15,824	9,778
Direct taxes	602	1,252	1,605	2,110	3,364	1,787
Disposable income	5,020	6,326	7,450	8,692	12,459	7,991
Domestic rates (net of rebates)	162	171	200	194	260	197
Other indirect taxes	1,168	1,341	1,554	1,880	2,538	1,696
Benefits in kind						
Education	1,249	1,248	1,189	981	958	1,125
National Health Service	525	475	494	436	536	493
Welfare foods	98	85	66	55	45	70
Housing subsidy	201	141	156	144	68	142
Other allocated benefits	30	44	42	45	117	56
Final income	5,794	6,808	7,642	8,278	11,384	7,982
(x) 1 adult with children						
Quintiles	*27*	*793*	*2,524*	*3,975*		
Number of households in the sample	37	37	36	37	37	184
Original income						
Earned income	1	144	1,178	2,220	2,944	1,298
Other income	—	159	553	1,000	3,133	971
Total	2	303	1,731	3,220	6,077	2,269
Direct benefits in cash						
Age-related	63	118	161	62	79	96
Child-related	360	376	381	337	351	361
Income-related	1,469	1,497	273	123	3	675
Other	66	15	91	9	21	40
Gross income	1,959	2,308	2,637	3,751	6,531	3,442
Direct taxes	—	3	124	370	631	226
Disposable income	1,959	2,305	2,513	3,381	5,900	3,215
Domestic rates (net of rebates)	145	153	126	173	206	161
Other indirect taxes	320	393	468	589	960	546
Benefits in kind						
Education	725	896	803	676	751	770
National Health Service	322	312	224	256	249	273
Welfare foods	118	172	123	73	64	110
Housing subsidy	282	175	275	174	71	195
Other allocated benefits	12	16	19	22	67	27
Final income	2,953	3,328	3,363	3,821	5,937	3,883

Average incomes, taxes and benefits, 1979

By decile groups of original income

TABLE 5

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
Deciles		*46*	*608*	*2,413*	*3,780*	*4,923*	*5,941*	*7,004*	*8,398*	*10,602*	
Original income											
Earnings of main earner	—	35	653	2,505	3,703	4,392	4,933	5,341	6,177	8,435	3,618
Other earnings	—	—	16	118	313	710	1,148	2,002	2,774	4,785	1,187
Occupational pensions, annuities	—	130	444	242	188	122	113	73	123	202	164
Investment income	5	87	206	178	100	139	162	144	188	516	172
Other income	1	17	76	118	74	68	101	112	103	100	77
Total	6	270	1,394	3,160	4,378	5,431	6,456	7,671	9,364	14,038	5,217
Cash benefits											
Child benefit	54	26	59	146	185	224	195	189	178	162	142
Retirement and old persons' pension	914	1,179	909	307	155	97	94	71	90	99	391
Widows' pension	35	41	61	53	30	27	14	12	12	12	30
Disablement and war disability pension	5	6	9	8	5	2	6	7	1	5	5
Invalidity pension and allowance	107	43	93	53	14	16	5	8	13	7	36
Mobility allowance	2	2	5	2	1	1	2	1	—	1	2
Non-contributory invalidity pension	8	4	8	6	2	—	1	3	—	2	3
Housewives non-contributory invalidity pension	—	1	2	3	2	1	2	—	—	1	1
Invalid care allowance	—	—	3	—	—	—	—	—	—	—	—
Attendance allowance	15	12	12	11	8	4	7	5	6	2	8
Unemployment benefit/TOPS awards	15	17	62	36	34	26	22	14	21	22	27
Sickness, industrial injury benefit	8	5	28	52	25	31	30	26	22	24	25
Industrial injury disablement benefit	9	17	14	10	6	5	3	4	2	1	7
Family income supplement	1	—	2	6	1	—	1	—	1	—	1
Supplementary benefit	469	171	82	81	16	31	12	18	11	19	91
Maternity benefit	—	1	1	10	14	15	8	7	9	3	7
Death grant	1	1	1	1	—	—	—	—	—	—	—
Maternity grant	—	—	—	2	2	3	1	1	1	—	1
Electricity discounts	4	3	2	1	—	—	—	—	—	—	1
Rent rebates and allowances	32	58	29	14	4	1	1	—	1	—	14
Student maintenance grants	7	12	32	9	17	7	17	3	9	15	13
Christmas bonus for pensioners	9	11	9	3	1	1	1	1	1	1	4
Other cash benefits	26	22	12	5	6	3	7	—	1	5	9
Total	1,720	1,633	1,434	816	528	496	428	371	378	380	818
Gross income	1,726	1,903	2,828	3,976	4,906	5,927	6,884	8,042	9,742	14,418	6,036
Direct taxes	1	17	167	548	853	1,080	1,328	1,570	1,987	3,246	1,080
Disposable income	1,725	1,886	2,661	3,428	4,053	4,847	5,556	6,472	7,755	11,172	4,956
Indirect taxes	382	439	671	876	1,060	1,197	1,336	1,554	1,768	2,322	1,161
Other allocated benefits	779	685	742	868	961	978	964	959	966	1,014	892
Final income	2,122	2,132	2,731	3,420	3,953	4,630	5,185	5,876	6,955	9,864	4,687

Average incomes, taxes and benefits, 1979

By decile groups of gross income

TABLE 6

	£ per year										
	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
Deciles	*1,642*	*2,362*	*3,411*	*4,493*	*5,474*	*6,442*	*7,476*	*8,771*	*11,040*		
Number of households in the sample	678	677	678	678	677	678	678	678	677	678	6,777
Original income	137	422	1,483	3,104	4,302	5,402	6,400	7,591	9,339	13,989	5,217
Cash benefits											
Age-related	880	1,103	869	412	270	145	153	134	129	154	425
Child-related	4	38	78	153	198	233	214	203	201	175	150
Income-related	274	341	234	151	103	77	105	57	54	71	147
Other	43	87	196	155	114	104	66	83	87	59	97
Total	1,201	1,568	1,377	871	684	559	537	477	450	460	818
Gross income	1,338	1,990	2,860	3,974	4,987	5,961	6,937	8,068	9,789	14,448	6,036
Direct taxes											
Income tax	9	34	173	415	649	818	1,019	1,246	1,586	2,731	868
National insurance contributions	3	6	48	128	190	238	280	324	391	510	212
Disposable income	1,327	1,950	2,639	3,432	4,148	4,904	5,638	6,498	7,812	11,208	4,956
Indirect taxes											
Domestic rates (net of rebates)	100	120	132	153	166	173	181	195	213	249	168
Taxes on final goods and services											
VAT	53	85	140	208	262	308	360	433	497	696	304
Duty on tobacco	33	57	97	120	131	140	153	150	165	186	123
Duty on beer	6	9	19	35	43	45	58	62	73	104	45
Duty on wines and spirits	12	15	29	41	46	55	71	94	114	175	65
Duty on hydrocarbon oils	5	13	24	43	56	65	76	87	103	137	61
Car tax and vehicle excise duty	4	10	18	29	36	43	47	57	73	82	40
Other	20	26	35	41	49	55	61	63	91	86	53
Intermediate taxes											
Commercial and industrial rates	22	31	42	57	69	76	86	100	110	151	74
Employers' NI contributions	48	68	96	132	158	177	200	236	263	368	175
Duty on hydrocarbon oils	10	13	18	23	28	30	33	38	42	56	29
Other	6	8	12	17	20	23	26	31	35	50	23
All indirect taxes	316	456	662	898	1,065	1,189	1,352	1,547	1,780	2,342	1,161
Other benefits											
Education	39	77	173	310	361	441	475	495	483	467	332
Welfare foods	1	11	23	32	30	29	34	34	31	26	25
National Health Service	362	460	399	384	398	406	367	348	370	399	389
Housing subsidy	118	149	134	120	123	105	102	87	75	79	109
Rail travel subsidy	2	2	4	7	7	8	11	12	21	34	11
Option mortgage scheme	—	1	3	10	14	10	16	18	14	9	10
Life assurance premium relief	2	3	6	8	11	15	17	20	26	53	16
Total	525	703	741	870	944	1,013	1,022	1,015	1,020	1,067	892
Final income	1,535	2,197	2,718	3,403	4,027	4,729	5,308	5,967	7,052	9,933	4,687

Distribution of households co-operating in the Family Expenditure Survey, 1979

By decile groups of original, gross, disposable and final incomes

TABLE 7

	1 adult		2 adults		2 adults with children			3 or more adults		1 adult with children	All households
	Retired	Non-retired	Retired	Non-retired	1 child	2 children	3 or more children	With no children	With children		
Decile groups of original income											
Bottom	389	45	138	17	8	7	22	9	2	41	678
2nd	306	32	261	20	8	5	6	11	1	27	677
3rd	132	124	181	109	26	23	11	20	14	38	678
4th	27	149	42	163	75	76	37	40	31	38	678
5th	9	116	14	154	114	134	57	35	28	16	677
6th	4	65	15	159	120	144	82	40	40	9	678
7th	3	49	8	211	99	138	55	49	59	7	678
8th	2	16	2	245	66	142	30	71	101	3	678
9th	1	14	3	202	58	107	32	130	126	4	677
Top	—	11	4	141	30	77	32	235	147	1	678
Total	873	621	668	1,421	604	853	364	640	549	184	6,777
Decile groups of gross income											
Bottom	563	85	8	8	2	1	—	—	—	11	678
2nd	208	72	295	27	12	6	2	1	3	51	677
3rd	55	132	223	115	33	23	24	17	2	54	678
4th	26	125	72	162	87	97	36	29	13	31	678
5th	7	91	28	171	120	123	59	40	23	15	677
6th	7	52	12	177	118	146	72	43	42	9	678
7th	3	32	12	211	88	133	65	57	72	5	678
8th	2	10	10	234	59	141	37	81	102	2	678
9th	2	11	3	192	56	103	36	131	138	5	677
Top	—	11	5	124	29	80	33	241	154	1	678
Total	873	621	668	1,421	604	853	364	640	549	184	6,777
Decile groups of disposable income											
Bottom	561	90	6	8	2	2	—	2	—	7	678
2nd	219	105	253	28	12	4	—	1	2	53	677
3rd	54	150	240	99	32	21	19	13	2	48	678
4th	18	109	78	190	90	100	33	19	10	31	678
5th	10	74	48	171	118	122	61	39	17	17	677
6th	7	45	14	189	111	149	72	45	37	9	678
7th	1	21	12	222	95	126	63	60	73	5	678
8th	2	10	10	227	60	140	43	82	99	5	678
9th	1	8	3	176	50	112	34	148	139	6	677
Top	—	9	4	111	34	77	39	231	170	3	678
Total	873	621	668	1,421	604	853	364	640	549	184	6,777
Decile groups of final income											
Bottom	442	148	31	30	8	6	—	3	—	10	678
2nd	291	137	155	51	18	4	—	2	1	18	677
3rd	93	125	231	134	31	17	1	8	2	36	678
4th	23	98	141	213	88	55	7	22	2	29	678
5th	13	55	53	228	107	102	24	52	11	32	677
6th	7	24	25	224	126	147	29	57	19	20	678
7th	1	17	13	212	82	145	68	72	53	15	678
8th	2	8	13	153	71	152	85	100	88	6	678
9th	1	2	2	101	39	125	92	138	164	13	677
Top	—	7	4	75	34	100	58	186	209	5	678
Total	873	621	668	1,421	604	853	364	640	549	184	6,777

Index of sources

Data given on page **5** may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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Printed in England for Her Majesty's Stationery Office by Bemrose Specialist Print, Derby.

Dd 699514 K32 1/81

ISBN 0 11 726341 9
ISSN 0013-0400

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